National Stock Exchange of India

Circular

Department: Investigation	
Download Ref No: NSE/INVG/63181	Date: July 31, 2024
Circular Ref. No: 356/2024	

To All NSE Members,

Sub: SEBI Order in the matter of trading based on stock recommendations through telegram channels in the scrip of Unison Metals Limited

This is with reference to SEBI Order No. WTM/KV/ISD/ISD-SEC-4/30624/2024-25 dated July 31, 2024, wherein SEBI restrained following entities from buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever until further orders.

Sr. No.	Name of Entity	PAN
1	Yayaati Hasmukhray Nada	AGFPN4412J
2	Nirali Yayaati Nada	AGGPL9393R
3	Jasavantbhai Patel	BJHPP4604A
4	Jignesh Pravinbhai Pethani	AXWPP3633P
5	Mukti Lodha	AEIPJ9758G
6	Nahush Ashvinbhai Shukla	DDDPS0405J
7	Prajesh A Shukla	FPUPS7459F
8	Malay Shaileshbhai Patel	BLOPP9579F
9	Reetaben Ashvinkumar Shukla	BEEPS5008B
10	Hardik J Patel	AKLPP6832C
11	Shailesh S Patel	ABCPP2114M
12	Jalaj Agrawal	AUDPA0226H
13	Arvind Shukla	ISZPS7481G

Further, SEBI vide above order has directed that if the above entities have any open position in any exchange traded derivative contracts, as on the date of this order, they can close out/ square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier.

The detailed order is available on SEBI website (https://www.sebi.gov.in/enforcement.html).

Further, the consolidated list of such entities is available on the Exchange website http://www.nseindia.com home page at the below mentioned link:

https://www.nseindia.com/regulations/member-sebi-debarred-entities

Members are advised to take note of the above and ensure compliance.

In case of any further queries, members are requested to email us at dl-invsg-all@nse.co.in

For and on behalf of
National Stock Exchange of India Limited

Sandesh Sawant
Senior Manager

ANNEXURE: SEBI Order in the matter of trading based on stock recommendations through telegram channels in the scrip of Unison Metals Limited

WTM/KV/ISD/ISD-SEC-4/30624/2024-25

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

KAMLESH C. VARSHNEY, WHOLE TIME MEMBER

INTERIM EX PARTE ORDER CUM SHOW CAUSE NOTICE

UNDER SECTIONS 11(1), 11(4), 11(4A) AND SECTION 11B(1) AND 11B(2) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 11(1)(d) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF FRAUDULENT AND UNFAIR TRADE PRACTICES RELATING TO SECURITIES MARKET) REGULATIONS, 2003

In respect of:

Noticee No.	Name of the Entity	PAN
	<u>Net Sellers/Profit Makers/Beneficiaries</u>	
1	Yayaati Hasmukhray Nada	AGFPN4412J
2	Nirali Yayaati Nada	AGGPL9393R
3	Jasavantbhai Patel	BJHPP4604A
4	Jignesh Pravinbhai Pethani	AXWPP3633P
5	Mukti Lodha	AEIPJ9758G
6	Nahush Ashvinbhai Shukla	DDDPS0405J
7	Prajesh A Shukla	FPUPS7459F
8	Malay Shaileshbhai Patel	BLOPP9579F
9	Reetaben Ashvinkumar Shukla	BEEPS5008B
10	Hardik J Patel	AKLPP6832C
	<u>Operators</u>	
11	Shailesh S Patel	ABCPP2114M
12	Jalaj Agrawal	AUDPA0226H
13	Arvind Shukla	ISZPS7481G
	<u>Enablers</u>	
14	Tirth Uttamchand Mehta	AVVPM6085F

15	**Uttamchand Chandanmal Mehta**	**ABCPM3554A**
16	**Manishaben Bipinchandra Panchal**	**AQEPP0578J**
17	**Sharad Ramkrishana Gattani**	**ADKPG8054F**

IN THE MATTER OF STOCK RECOMMENDATION TIPS IN THE SCRIP OF UNISON METALS LIMITED

*(The entities mentioned above are individually known by their respective names or Noticee No. and collectively referred to as **"Noticees"** unless the context specifies otherwise)*

<u>TABLE OF CONTENTS</u>

A. Background

1. SEBI received complaints stating that recommendations were being posted on telegram channels in the month of December 2021 to buy and deal in the shares of Unison Metals Limited (hereinafter referred to as ***"UML"/'the company'***).

2. Based on the aforesaid complaints and considering the *prima facie* pattern of the top net sellers being either directly or indirectly connected to the Operator of Telegram Channels, further investigation was ordered to be conducted by the Securities and Exchange Board of India (hereinafter referred to as ***"SEBI"***). The investigation sought to look into possible violations of the provisions of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as **"*SEBI Act*"**) and various regulations framed thereunder including the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as **"SEBI (*PFUTP) Regulations*)"** by certain entities.

3. Accordingly, an Investigating Authority (hereinafter referred to as "***IA"***) was appointed, under Section 11C of the SEBI Act to carry out investigation in the matter. It is noticed in the investigation that UML a company, whose equity shares were listed at the Bombay Stock Exchange Ltd. (hereinafter referred to as **"*BSE*"**) on August 28, 2014, was into manufacturing of Hot & Cold Rolled Stainless Steel Sheets, Stainless Steel Patta for wide range of industrial applications, having its registered office at Plot No. 5015, Nr. Ramol Cross Road, Ph - IV, GIDC, Vatva, Ahmedabad, Gujarat, 382445.

4. Subsequently, after obtaining a Court Order, a search and seizure operation was carried out on March 10, 2022, on the premises of Mr. Shailesh S Patel and Mr.Jalaj Agrawal. During the said operation, certain electronic devices were seized and

statements were also recorded under oath. Considering that the stock recommendations in the scrip of UML were posted for several days in December 2021 and significant spurt in volume and price was observed in trading of the scrip of UML during December 2021, the examination was conducted for the period from December 01, 2021 to December 31, 2021 (hereinafter referred to as ***"Investigation period"***). During the investigation, following steps *inter alia*, were undertaken namely: -

4.1 Examination of website of tgstat.com, having details of messages posted across telegram channels;

4.2 Analysis of data contained in electronic devices seized during search and seizure operation; statements taken under oath;

4.3 Analysis of KYC details, Account Opening Forms (AOF) and bank statements;

4.4 Analysis of Client Application Forms (CAF) provided by Telecom Service Providers (TSP);

4.5 Analysis of Call Data Records (CDR);

4.6 Analysis of Geographical locations during investigation period;

4.7 Analysis of trading activities.

B. Details of ***Noticees***

5. In order to have a better understanding of the matter and the role played by various entities, they have been broadly divided into three categories which is being narrated in the immediately succeeding paragraphs.

5.1 First category – Net Sellers/Profit Makers/ Beneficiaries

The first category is "Net Sellers/Profit Makers/ Beneficiaries" which comprises of individuals who are noticed to have made profit, based on the scheme which was devised to take advantage of movement in the volume and price of shares of UML, pursuant to the recommendation on telegram channels. These entities are noticed to be directly or indirectly connected among themselves and to the Operators and Enablers *(Operators and Enablers have been defined in the succeeding paragraphs*) and have off-loaded majority of their stake in UML in the month of December 2021, particularly on the days when stock recommendations were posted on some of the Telegram Channels. In the extant matter, Mr.Yayaati Hasmukhray Nada (Noticee No. 1); Ms.Nirali Yayaati Nada (Noticee No. 2); Mr.Jasavantbhai Patel (Noticee No. 3); Mr.Jignesh Pravinbhai Pethani (Noticee No. 4); Mr.Mukti Lodha (Noticee No. 5); Mr.Nahush Ashvinbhai Shukla (Noticee No. 6); Mr.Prajesh A Shukla (Noticee No. 7); Mr.Malay Shaileshbhai Patel (Noticee No. 8); Ms.Reetaben Ashvinkumar Shukla (Noticee No. 9) and Mr.Hardik J Patel (Noticee No. 10), are collectively referred to as ***“Net Sellers/Profit Makers/ Beneficiaries”***.

5.2 Second category – Operators

The second category is “Operators” which comprises of individuals who had facilitated posting of stock recommendations on telegram channels. It also includes those who were instrumental in creating a link between the Net Sellers/Profit Makers/ Beneficiaries and the operator of telegram channels. In the extant matter, Mr.Arvind Shukla is the operator of telegram channels (Noticee No.13). Mr.Jalaj Agrawal (Noticee No.12) was instrumental in connecting Net Sellers/Profit Makers/ Beneficiaries to Mr. Arvind Shukla, through Mr.Shailesh S Patel, (Noticee No. 11) connecting the Net Sellers/Profit Makers/ Beneficiaries to Mr. Jalaj Agrawal. Mr. Shailesh S Patel, Mr.Jalaj Agrawal and Mr.Arvind Shukla are collectively referred to as ***“Operators”***.

5.3 Third category – Enablers

The third category is “Enablers” comprises of individuals who aided and abetted in execution of the scheme to manipulate the price/volume of shares of UML. In the extant matter, Mr.Tirth Uttamchand Mehta (Noticee No. 14) and Mr.Uttamchand Chandanmal Mehta (Noticee No. 15) are directors cum promoters of UML. Ms.Manishaben Bipinchandra Panchal (Noticee No.16) is a director of UML. Mr.Sharad Ramkrishana Gattani (Noticee No.17) a relative of Noticee no. 14. Noticee Nos. 14, 15, 16 and 17 are collectively referred to as ***“Enablers”.***

5.4 The connection between the Net Sellers/Profit Makers/ Beneficiaries, Operators and Enablers (hereinafter referred to as ***“Noticees”***) is elaborated in the subsequent paragraphs.

C. Key evidences collected during the investigation

6. During the investigation, following evidences have been collected namely:

   6.1 Evidence of connection amongst various *Noticees*.

   6.2 Evidence of posting stock recommendations in the scrip of UML on some telegram channels.

   6.3 Evidence of increase in price/volume movement in line with recommendations, creating opportunities for Net Sellers/Profit Makers/ Beneficiaries who made profits on such advance information.

   6.4 Evidences of trades carried out by Net Sellers/Profit Makers/ Beneficiaries based on favourable price/volume movement in line with the stock recommendations on telegram channels thereby creating opportunities for the Net Sellers/Profit Makers/ Beneficiaries to exit after booking profits.

7. These evidences are deliberated in the subsequent paragraphs and in the course of examination it is to determine if these facts lead to establishment of the *prima facie* violation of provisions of SEBI Act as well as regulations made there under.

D. Details of the Telegram Channels used for posting stock recommendations

8. On examination of telegram channels, it was observed that buy recommendations in the scrip of UML were posted on multiple days in December 2021, which were subsequently deleted on the day of recommendation itself. The details of Telegram Channels on which the stock recommendations in the scrip UML were posted, along with the day of the recommendation, and the number of subscribers the channels had on that day are provided below on a sample basis for certain days of recommendations.

Table -1

S. No.	Name of Channel	Subscription Level (in lakhs) as on the day of the recommendation				
		Dec 06, 2021	Dec 14, 2021	Dec 15, 2021	Dec 16, 2021	Dec 17, 2021
1.	Intraday Trading Equity Stock	15.58	14	14	14.33	14
2.	Sure Means Sure	-	-	-	4.31	-
3.	Intraday Share Training Stock	-	5.83	-	-	-

Hereinafter, the above channels are collectively referred to as ***"Telegram Channels".***

8.1 From the above, it is noticed that, number of subscribers of these Telegram Channels were in the range between 4 to 15 lakhs. The number of subscribers were in the same range for other days of December 2021 as well. It was noticed in the investigation that these Telegram Channels provided only one-way communication, enabling the Administrator(s) of the channel(s) alone to send messages, whereas the subscribers of such channel(s) were only able to receive such messages. Channels also offered paid services on *intra*-day tips, wherein, the channels claimed to have high accuracy of their tips/ recommendations. They also provided details of Paytm, Google Pay, Phone Pay, UPI or bank account(s), for collection of subscription amount from the subscriber.

8.2 The Telegram Messenger offers many flexibilities to its users in creation, operation, transfer and deletion of Telegram Channels or its contents. Each Telegram Channel may have a title, public link, private link, display/profile picture etc., as identifiers. Each Telegram Channel has an administrator or a set of persons/entities acting as administrators and each of them are registered with a mobile number. Telegram Messenger offers such flexibility that all the aforesaid identifiers/mobile number/administrators of a channel can be changed at any time. Moreover, to enable a unique identifier, Telegram Messenger assigns a unique identifier known as 'Channel ID' which is relatively constant and is attached to all the messages posted on a Telegram Channel. In order to identify the entities associated with these Telegram Channels, information was sought from Telegram. In this regard, Telegram vide email dated February 04, 2022 and February 23, 2022 provided the following details:

Table -2

Sr. No.	Title of Telegram Channels / Users	Admin ID	Channel ID	Phone no.	IP address
1.	Intraday Trading Equity Stock	Admin #9XX962XXX @Owner_intraday1	ch13XX930XXX	74XX241XXX	59.XX.138.XX
2.	Sure Means Sure	14XX764XXX @PDMBulles	ch14XX695XXX	91XX701XXX	61.X.248.XXX
3.	Intraday Share Training Stock	18XX170XXX @stock_owner_share	ch13XX163XXX	95XX128XXX	61.X.248.XXX
4.	@Owner_intraday [Bala Ji Mehndipur]	User #1XX1402XXX	-	81XX812XXX	47.XX.21.XXX

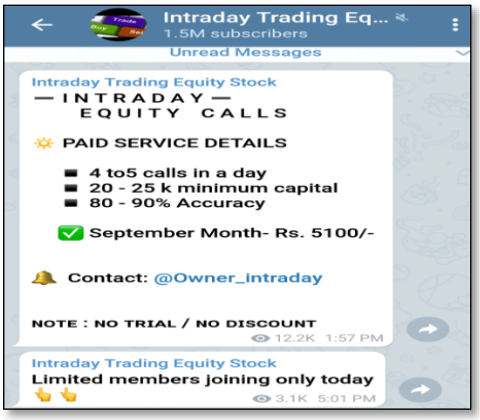
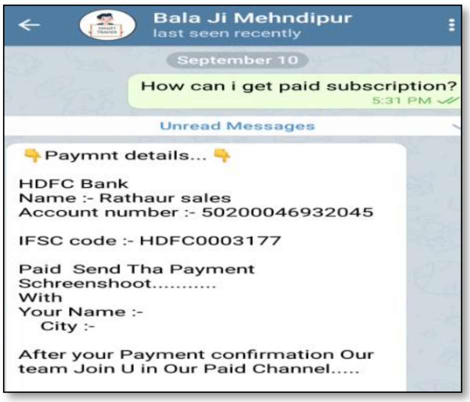
8.3 <u>On analysis of the above details, the following are noted</u>:

8.3.1 The Telegram Channel mentioned at sr. no. 2 above, is registered with mobile no. 91XX701XXX. As per Know Your Customer (KYC), the mobile number is registered in the name of Mr.Arvind Shukla.

8.3.2 The Telegram Channel mentioned at sr. nos. 2 & 3, were accessed through same IP address i.e. 61.X.248.XXX.

8.3.3 On the Telegram Channel mentioned above table-2, sr. no.1, the following messages were floated –

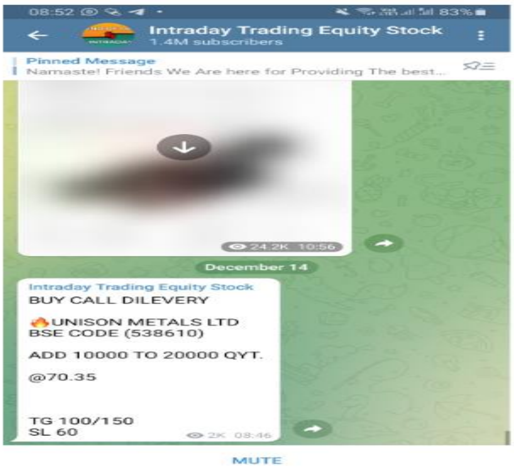
Clipping – 1

Screen Shot-1	Screen Shot-2
	

8.4 As can be seen at clipping-1 above, screen shot-1 provided contact link "@Owner_intraday". Once any user clicked on this link, it led to a separate chat window of a user titled "Bala Ji Mehandipur" as shown in screen shot 2. Upon request by a user, the payment details as seen in the screen shot-2 were provided. The Telegram User "Bala Ji Mehndipur" (*as mentioned at s. no. 4 in Table -2)* is registered with mobile no. 81XX812XXX. The KYC details show that this mobile number is registered in the name of Mr.Arvind Shukla. It was further observed that stock recommendations in the scrip of UML were posted on multiple Telegram Channels. One of such instances of posting the stock recommendation in the scrip of UML on Telegram Channel is given below :

(On December 14, 2021) **Clipping - 2**

Channel – "Intraday Trading Equity Stock"	Channel – "INTRADAY SHARE TRAINING STOCK"



8.5 As seen at clipping-2 above, on December 14, 2021, the stock recommendation was posted on two Telegram channels namely 'Intraday Trading Equity Stock' and 'Intraday Share Training Stock' at 8:46 AM. On December 16, 2022, the stock recommendation was posted on two Telegram channels namely 'Intraday Trading Equity Stock' and 'Sure Means Sure' at 10:07 AM. Further, it was observed that the same stock recommendation was posted more than once on a single day in a Telegram Channel. For example, on Dec 22, 2022, the stock recommendation was posted on 'Intraday Trading Equity Stock' at 11:45 AM and 11:52 AM. The aforesaid Telegram Channels were having sufficiently good number of subscribers, on the day of stock recommendation in the scrip of UML, as can be seen from Table -1 above.

8.6 From the information gathered through telegram channels, seized mobile phone of Mr. Jalaj Agrawal, from complaints received and from tgstat.com the details of stock recommendations were posted on the following dates in the month of December 2021 in the scrip of UML:

Table -3

Name of Telegram Channel/Users	**Dates**
Intraday Trading Equity Stock/ @Owner_intraday [Bala Ji Mehndipur]	* December 06; 14; 15; 16; 17 & 22, 2021
Sure Means Sure	** December 06; 16; & 17, 2021
Intraday Share Training Stock	** December 06, 14 & 16, 2021
Based on the chats available from the seized mobile of Mr. Jalaj Agrawal, the following dates were gathered, December 06; 08; 09; 10; 13; 14; 15; 16; 17; 20 & 22, 2021 whereby stock recommendation of UML were posted. As per website of tgstat.com, messages posted across telegram channels December 20, 22, & 23, 2021.	

* Data received from complaints and tgstat.com
** Data received from complaints

8.7 <u>Facts Determined from the analysis of these telegram channels</u>

8.7.1. The Telegram Channels/Users, namely 'Sure Means Sure', "Bala Ji Mehndipur" "Intraday Share Training Stock" and "Intraday Trading Equity Stock" were operated/handled by Mr.Arvind Shukla, during the month of December, 2021.

8.7.2. The stock recommendations in the scrip of UML were posted on telegram channels on 06, 08, 09, 10, 13, 14, 15, 16, 17, 20, 22 & 23 of December 2021.

E. Connection amongst Net Sellers/Profit Makers/ Beneficiaries with Operators and Enablers

9. Connection amongst Net Sellers/Profit Makers/ Beneficiaries

9.1 On analysis of MCA database, KYC/account opening forms, bank statements and, social media of Net Sellers/Profit Makers/ Beneficiaries the following connections have been observed:

Table - 4

Sr.No.	PAN	Net Seller/ Profit Maker/Beneficiary	Connection
1	AGFPN4412J	Yayaati Hasmukhray Nada	**Common Directors:** **1.** Yayaati Hasmukhray Nada and Reetaben Ashvinkumar Shukla are connected through common directorship in company namely Yayaati Marketing Private Limited. **2.** Yayaati Hasmukhray Nada and Nirali Yayaati Nada are connected through common directorship in companies namely Two Way Industries Private Limited and Tvashta Clothing Private Limited. **3.** Yayaati Hasmukhray Nada , Nirali Yayaati Nada and Reetaben Ashvinkumar Shukla are connected through common directorship in company namely Gandiva Industries Limited. **Common Address:** **1.** Nahush Ashvinbhai Shukla, Prajesh Ashvinbhai Shukla and Reetaben Ashvinkumar Shukla are connected on the basis of common address Sur Ship Appartment, 12, Maninagar Co.Op.H.Soc., Opp: Gopal Tower, Ahmedabad, Maninagar, Gujarat – 380 008. **Social media (facebook):** **1.** Yayaati Hasmukhray Nada and Nirali Yayaati Nada are connected i.e. husband and wife. **2.** Yayaati Hasmukhray Nada is connected to Nahush Ashvinbhai Shukla Prajesh Ashvinbhai Shukla and Reetaben Ashvinkumar Shukla. Yayaati Hasmukhray Nada is cousin of Nahush Ashvinbhai Shukla and Prajesh Ashvinbhai Shukla. **KYC & Account Opening Form ("AOF") from Banks:** **1.** Yayaati Hasmukhray Nada and Nirali Yayaati Nada are connected i.e. husband and wife. **2.** Nahush Ashvinbhai Shukla, Prajesh Ashvinbhai Shukla and Reetaben Ashvinkumar Shukla are connected, as Reetaben Ashvinkumar Shukla is mother of Nahush Ashvinbhai Shukla & Prajesh Ashvinbhai Shukla. **Fund transfers:** Based on fund transfers,
2	AGGPL9393R	Nirali Yayaati Nada	
3	BJHPP4604A	Jasavantbhai Patel	
4	AXWPP3633P	Jignesh Pravinbhai Pethani	
5	AEIPJ9758G	Mukti Lodha	
6	DDDPS0405J	Nahush Ashvinbhai Shukla	
7	FPUPS7459F	Prajesh Ashvinbhai Shukla	
8	BLOPP9579F	Malay Shaileshbhai Patel	
9	BEEPS5008B	Reetaben Ashvinkumar Shukla	
10	AKLPP6832C	Hardik Jitendrabhai Patel	

Sr.No.	PAN	Net Seller/ Profit Maker/Beneficiary	Connection
			1. Yayaati Hasmukhray Nada , Jasavantbhai Patel, Jignesh Pravinbhai Pethani (through his proprietary concern Netanya Prototype to Nada Creations owned by Yayaati Hasmukhray Nada), Nahush Ashvinbhai Shukla, Prajesh Ashvinbhai Shukla And Reetaben Ashvinkumar Shukla are connected.

9.2 Facts Determined:

From the above table, it is seen that Net Sellers/Profit Makers/ Beneficiaries (Noticee nos. 1 to 10) are directly or indirectly connected to one another through various means such as common directorships in companies; common address and fund transfers etc.

10. Connections through analysis of Call Data Records (CDRs) amongst Net Sellers/Profit Makers/ Beneficiaries; Enablers & Operators during the investigation period.

10.1 Connections through CDRs between Net Sellers/Profit Makers/ Beneficiaries and Enablers is as given below:

Table - 5

A	B	Investigation period - December, 2021				Remarks
		A to B		B to A		
		No. of calls	Duration (seconds)	No. of calls	Duration (seconds)	
Yayaati Hasmukhray Nada (99xx112xxx)	Nirali Yayaati Nada (97xx938xxx)	115	14,500	47	2,393	Frequent calls
	Jasavantbhai Patel (99xx241xxx)	-	-	-	-	
	Jignesh Pravinbhai Pethani (98xx660xxx)	8	171	2	110	Out of 10 calls in Dec-2021, 6 calls were on Dec 14, 2021, wherein Jignesh had sold his majority of holdings in UML. Remaining 4 calls are on Dec 22, 25 & 30.
	Nahush Ashvinbhai Shukla (99xx175xxx)	2	34	2	236	Out of 4 calls in Dec-2021, 3 calls were on Dec 13 & 14, 2021, wherein Nahush had traded in UML. Remaining 1 call was on Dec 30.
	Prajesh Ashvinbhai Shukla (99xx399xxx)	6	213	3	106	3 calls are Dec 09 wherein the entity traded in UML and other calls are on Dec 15, 17, 18 & 21.

A	B	Investigation period - December, 2021				Remarks
		A to B		B to A		
		No. of calls	Duration (seconds)	No. of calls	Duration (seconds)	
	Reetaben Ashvinkumar Shukla (94xx605xxx)	19	724	10	417	Out of 29 calls, 13 calls were on days when the entity had traded.
	Hardik Jitendrabhai Patel (99xx098xxx)	5	219	3	144	Out of 8 calls, 1 call was on the day when the entity had traded.
	Tirth Uttamchand Mehta – MD of UML (99xx944xxx)	23	924	26	1,107	Also confirmed by Mr.Sharad Ramakrishna Gattani in his statement under oath that his son-in-law, Tirth Uttamchand Mehta is friend to Mr. Yayaati Hasmukhray Nada.
	Uttamchand Chandanmal Mehta – Promoter of UML (98xx071xxx)	-	-	-	-	
	Manishaben B Panchal – Dir. Of UML (98xx467xxx)	3	164	1	265	All calls in Dec -2021 were on Dec 09.
Nirali Yayaati Nada (97xx938xxx)	Jasavantbhai Patel (99xx241xxx)	1	43	2	63	2 calls on Dec 03 & 1 on Dec 22.
	Tirth Uttamchand Mehta – MD of UML (99xx944xxx)	-	-	2	120	Calls on Dec 13 & 14, when NIRALI traded.
	Manishaben B Panchal – Dir. Of UML (98xx467xxx)	-	-	1	44	Call on Dec 30.
Jasavantbhai Patel (99xx241xxx)	Manishaben B Panchal – Dir. Of UML (98xx467xxx)	-	-	4	32	Calls on Dec 09, 10 & 11.
Mukti Lodha (91xx660xxx)	Uttamchand Chandanmal Mehta – Promoter of UML (98xx071xxx)	-	-	-	-	
Malay Shaileshbhai Patel (70xx537xxx)	Tirth Uttamchand Mehta – MD of UML (99xx944xxx)	-	-	2	67	Calls on Dec 03 & 07.
	Uttamchand Chandanmal Mehta – Promoter of UML (98xx071xxx)	3	76	3	576	Calls on Dec 06, 09, 12 & 16
Reetaben Ashvinkumar Shukla (94xx605xxx)	Jasavantbhai Patel (99xx241xxx)	2	25	1	10	Calls on Dec 14, 21 & 22.
	Manishaben B Panchal – Dir. Of UML (98xx467xxx)	12	427	6	252	Calls on 6,9, 10, 11, 17.
Hardik Jitendrabhai Patel (99xx098xxx)	Tirth Uttamchand Mehta – MD of UML (99xx944xxx)	6	282	4	130	Calls on Dec 02, 09, 15, 16, 19, 25, 28, 30

10.1.1 As seen from the above table, the Net Sellers/Profit Makers/ Beneficiaries are directly connected among themselves and/or with the Enablers. Calls were also seen amongst the Net Sellers/Profit Makers/ Beneficiaries on their trade dates during the investigation period.

10.2 Connections through CDRs amongst certain Net Sellers/Profit Makers/ Beneficiaries (Mr.Yayaati Hasmukhray Nada and Ms.Nirali Yayaati Nada) with Operator (Mr.Shailesh S Patel) and Enabler (Mr.Sharad Ramkrishana Gattani)

10.2.1 From the information gathered from Mr.Shailesh S Patel, it is observed that SMS / WhatsApp were exchanged between Mr.Sharad Ramkrishana Gattani and Mr.Shailesh S Patel and between Mr.Yayaati Hasmukhray Nada/ Ms.Nirali Yayaati Nada with Mr.Sharad Ramkrishana Gattani /his wife/his daughter on regular basis.

The details on analysis of their CDR data is as given below:

Table – 6

CDR analysis during the investigation period		
Entity (A)	Entity (B)	Total Calls (nos.)
Shailesh S Patel (70xx537xxx)	Sharad Ramkrishana Gattani (94xx069xxx & his wife (96xx361xxx)	1
Yayaati Hasmukhray Nada (99xx112xxx) / Nirali Yayaati Nada (971xx38xxx)	Sharad Ramkrishana Gattani (94xx069xxx), his wife (96xx361xxx) and his daughter (90xx046xxx)	28

10.2.2 It was also observed that, Mr.Sharad Ramkrishana Gattani is the father-in-law of Tirth Uttamchand Mehta –Managing Director of UML. Mr.Sharad Ramkrishana Gattani is a practicing Chartered Accountant and having a firm in the name of Gattani & Associates. As per the statement made on oath on July 5, 2022, Mr.Sharad Ramkrishana Gattani has *inter alia* stated that: (i) he knows Mr.Shailesh S Patel for the past 4 to 5 years. Mr. Shailesh S Patel came to him for advice on his income tax matters; and (ii) he knows Mr.Yayaati Hasmukhray Nada, as Mr.Yayaati Hasmukhray Nada is a friend of his son-in-law, Mr.Tirth Uttamchand Mehta, the MD of UML.

10.2.3 Further, from the call transcripts received from the broker of Ms. Nirali Yayaati Nada, it is observed that Mr. Yayaati Hasmukhray Nada (spouse of Ms. Nirali Yayaati Nada) was placing the sell orders on behalf of Ms. Nirali Yayaati Nada. This shows that Ms.Nirali Yayaati Nada had authorised Mr.Yayaati Hasmukhray Nada to trade on her behalf.

10.3 Connections through CDRs between Net Seller/Profit Maker/Beneficiary-(Mr. Malay Shaileshbhai Patel) with Operator-(Mr.Shailesh S Patel)

In respect of trades carried out by Mr.Malay Shaileshbhai Patel in the scrip of UML on December 01, 03, 06, 07 & 08, 2021, information with respect to the details of person who had given the instructions for placing orders and call transcripts were sought from Mr.Malay Shaileshbhai Patel's broker. From the information received and an analysis thereof, it is gathered that sell orders were placed by a person named Mr.Shailesh S Patel through mobile number 70XX537XXX. As per the KYC provided by TSP, the aforesaid mobile number was found to be registered in the name of Mr.Malay Shaileshbhai Patel. From the KYC document it was noted that Mr. Shailesh S. Patel (operator in the instant matter), is the father of Mr.Malay Shaileshbhai Patel. Further, Mr.Malay Shaileshbhai Patel had authorized his father Mr.Shailesh S. Patel to deal in his trading account. Mr.Malay Shaileshbhai Patel vide email dated March 25, 2022 *inter-alia* stated that his trading account was operated by his father, Mr.Shailesh S. Patel.

10.4 Connections through CDRs between Operators- Mr.Shailesh S Patel and Mr.Jalaj Agrawal

On analysis of CDR of mobile number 70XX537XXX registered in the name of Mr.Malay Shaileshbhai Patel for the month of December 2021, it has been observed that Mr.Shailesh S. Patel had made calls from the aforementioned mobile to mobile no. 79XX655XXX, around the period when recommendations were posted in the scrip of UML. As gathered from TSP, the mobile number (79XX655XXX) is registered in the name of Mr.Jalaj Agrawal. It was observed that the calls between Mr.Shailesh S Patel and Mr.Jalaj Agrawal started from

November 28, 2021. Details of calls exchanged between Mr.Shailesh S Patel and Mr.Jalaj Agrawal is as follows:

Table – 7

A	B	In December, 2021				Remarks
		A to B		B to A		
		No. of calls	Duration (seconds)	No. of calls	Duration (seconds)	
Shailesh S Patel (70xx537xxx)	Jalaj Agrawal (79xx655xxx)	20	1,489	18	1,458	Calls on Dec 01, 02, 03, 04, 05, 06, 08, 09

10.5 Connections through CDRs between Operators Mr.Jalaj Agrawal and Mr.Arvind Shukla

It was observed from the CDR analysis of mobile number of Mr.Jalaj Agrawal (79XX655XXX) that he had made calls to mobile numbers (99XX417XXX) and (81XX812XXX), around the days of recommendation in the scrip UML. Both these mobile numbers were observed to be used by Mr.Arvind Shukla. Details of calls exchanged between Mr.Jalaj Agrawal and Mr.Arvind Shukla is as follows:

Table - 8

A	B	In December, 2021				Remarks
		A to B		B to A		
		No. of calls	Duration (seconds)	No. of calls	Duration (seconds)	
Jalaj Agrawal (79xx655xxx)	Arvind Shukla (81xx812xxx)	20	746	12	120	Frequent calls in Dec-2021.
Jalaj Agrawal (79xx655xxx)	Arvind Shukla (99xx417xxx)	14	969	16	833	

10.6 <u>Facts Determined based on CDR analysis</u>**:**

10.6.1 All Net Sellers/Profit Makers/ Beneficiaries are directly connected amongst themselves and/or with the Enablers. Various instances were gathered whereby numerous calls were done by the Net Sellers/Profit Makers/ Beneficiaries among themselves on their trade dates in December 2021.

10.6.2 Net Sellers/Profit Makers/ Beneficiaries (Mr.Yayaati Hasmukhray Nada and Ms.Nirali Yayaati Nada) Operator (Mr.Shailesh S Patel) are connected through common person Mr.Sharad Ramkrishana Gattani, the Enabler. Mr. Yayaati Hasmukhray Nada is also a friend of another enabler, Mr.Tirth Uttamchand Mehta.

10.6.3 Mr.Shailesh S Patel was operating the trading account of his son i.e. Mr.Malay Shaileshbhai Patel and was using the mobile number 701XXXX636 registered in the name of Mr.Malay Shaileshbhai Patel for placing orders on behalf of Mr.Malay Shaileshbhai Patel.

10.6.4 There was a regular flow of chats between Operators, Mr.Shailesh S Patel and Mr.Jalaj Agrawal. There was also regular flow of chat between Mr.Jalaj Agrawal and Mr.Arvind Shukla during the investigation period of December 2021.

11. Connection between certain Operators with Enablers

11.1 It has been observed during the investigation that on a regular basis Mr.Shailesh S Patel used to receive emails containing "Benpos (a weekly shareholding position of shares held in electronic form ending Friday of every week) / Shareholding Data of UML" from Mr.Sharad Ramkrishana Gattani, who in turn received this data from UML. Further, it is also seen that Mr.Shailesh S Patel in turn forwarded the Benpos / Shareholding data to Mr.Jalaj Agrawal.

11.2 The Benpos Data is a weekly shareholding position of shares held in electronic form ending Friday of every week. Normally every week both the Depositories viz. NSDL & CDSL provide the company the beneficial ownership position of that company (commonly referred as Benpos Data) for all clients for which connectivity has been established with the Depositories. Besides weekly Benpos, solicited Benpos are also set on record dates for any corporate action like dividend, bonus, stock split etc. Besides this, solicited Benpos are also sought by the issuer companies for the information of the company's management. Benpos data is provided as raw Benpos data by both the depositories to Registrar and Transfer Agents (hereinafter referred to as '***RTA***') who gets the data downloaded from the Depository system on Saturday morning on a weekly basis. Benpos data in raw form gets converted into required data and this gets migrated into RTA system based on which the issuer companies get emails or web based report generation facility to check difference in holdings, buyers / sellers, top 10 shareholders on a weekly basis. Benpos helps in identifying the shareholders of a listed company on a particular date. The Benpos details include, name of the shareholders, DP, client ID and category of the shareholder. The flow of Benpos information, on a sample basis, extracted from the digital device and its transfer from RTA→UML→ Mr.Sharad Ramkrishana Gattani → Mr.Shailesh S Patel → Mr.Jalaj Agrawal is enumerated below:

Table - 9

S. No.	Date	From Email id	To Email id	Particulars
1.	Dec 12, 2021 at 8:40 AM	instaautoreports@linktime.co.in	secretary@unisonegroup.in, unisonmetals@gmail.com	File containing distribution summary of unison's client is sent by Linktime, RTA to UML.
2.	12/12/2021 at 9:53:14	unisonmetals@gmail.com	gattaniassociates@gmail.com	The above attachment received from RTA was forwarded to Sharad Ramkrishana Gattani.
3.	12/12/21	gattaniassociates@gmail.com	spatel456@rediffmail.com	The details were forwarded by Sharad Ramkrishana Gattani to Shailesh S Patel.
4.	18/12/21	spatel456@rediffmail.com	Jalaj557@gmail.com	Data further forwarded from Shailesh S Patel to Jalaj Agrawal

A similar movement of benpos details was observed on other days of recommendation.

11.3 In this case, the Benpos details are obtained by a company from RTA on a frequent basis. Further, from the digital device seized, it is observed that the Benpos data of UML was obtained by UML on a regular basis during the period Nov-Dec 2021 which in turn was forwarded to Mr. Sharad Ramkrishana Gattani by UML and who in turn forwarded to Mr.Shailesh S Patel and then finally to Mr.Jalaj Agrawal. In the email back up of the seized device of Mr.Shailesh S Patel, it is observed that Mr.Shailesh S Patel forwarded Benpos data to Mr.Jalaj Agrawal through email(s).

11.4 <u>Facts Determined</u>:

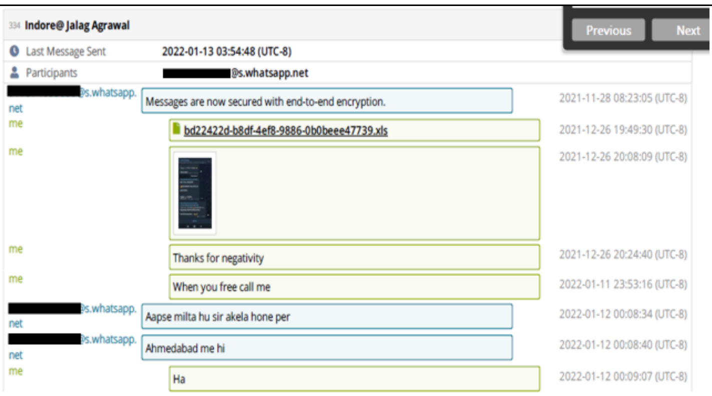
The information on Benpos data received by UML is forwarded by the Enabler, Mr.Sharad Ramkrishana Gattani (father-in-law of Tirth Uttamchand Mehta-director of UML). Thereafter from Mr.Sharad Ramkrishana Gattani transferred it to Operator, Mr.Shailesh S Patel who subsequently transferred it to another Operator, Mr.Jalaj Agrawal. The pattern which is observed is that of transfer of crucial, important and sensitive information from UML through Mr.Sharad Ramkrishana Gattani to Mr.Shailesh S Patel and finally to Mr.Jalaj Agrawal.

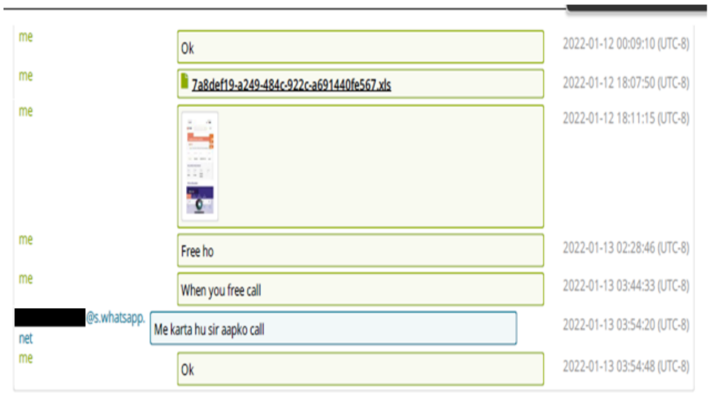
12. <u>Connections through WhatsApp Chats among Operators – Mr.Shailesh S Patel and Mr.Jalaj Agrawal</u>

12.1 During investigation, it was gathered that the phone device having number 70XX537XXX registered in the name of Mr.Malay Shaileshbhai Patel was found to be used by Mr.Shailesh S Patel. Mr.Shailesh S Patel in order to make calls to Mr.Jalaj Agrawal was using the mobile number registered in the name of Mr.Malay Shaileshbhai Patel. The clippings of the WhatsApp chats between Mr.Shailesh S Patel and Mr.Jalaj Agrawal is given below:

<u>Clipping - 3</u>

12.2 WhatsApp chat of Shailesh (70XX537XXX) with Jalaj (79XX655XXX), on Shailesh iPhone XS Max

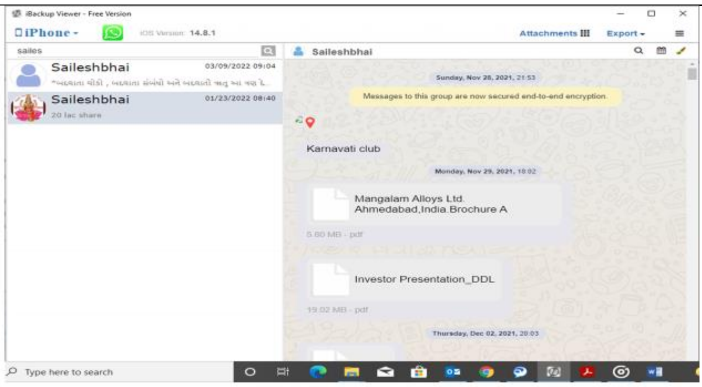
Sr. No.	Snapshot	Whatsapp Chats
1		December 26, 2021 to January 12, 2022 In the chat, Shailesh S Patel texted Jalaj Agrawal "Thanks for negativity" and asked him to call back. In reply Jalaj Agrawal, tells Shailesh S Patel that, he will meet him at Ahmedabad. This which was confirmed by Shailesh S Patel.

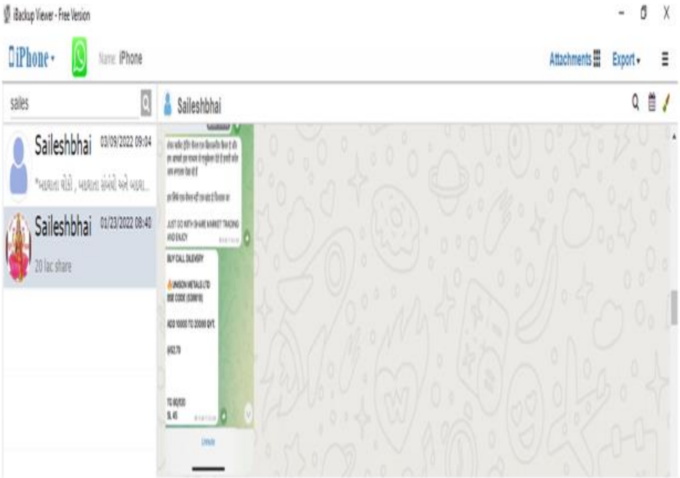
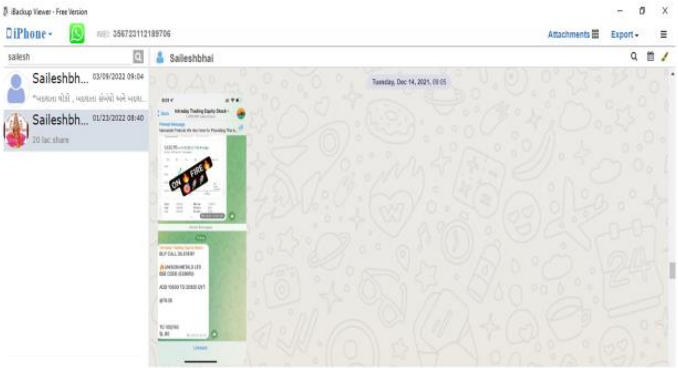
<table>
<tr>
<td>2</td>
<td>
</td>
<td>On January 13, 2022
In the chat Shailesh S Patel ask Jalaj Agrawal “Free ho” and also asked Jalaj Agrawal to call him back, when he is free. Jalaj Agrawal in reply, states that he will call.</td>
</tr>
</table>

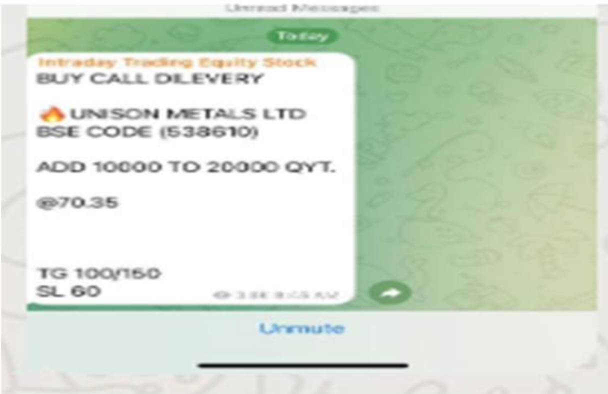
12.3 As seen from clipping-3, the data extracted from the seized device of Mr. Shailesh S Patel had limited chat data between him and Mr. Jalaj Agrawal. On Mr.Shailesh S Patel’s mobile, the first available chat with Mr.Jalaj Agrawal was on November 28, 2021 and the second chat was of December 26, 2021. However, certain chats were seen during the month of January 2022. From the above, it is prima facie observed that Mr.Shailesh S Patel had deleted almost a month chat data that he had with Mr.Jalaj Agrawal.

12.4 WhatsApp chat of Mr.Jalaj Agrawal (79XX655XXX) with Mr.Shailesh S Patel (70XX537XXX), on Mr.Jalaj Agrawal’s seized iPhone:

Clipping-4

<table>
<tr>
<td>3</td>
<td>
</td>
<td>November 28 & 29 2021
Shailesh S Patel shares the live location of Karnavati Club and a few documents with Jalaj Agrawal.</td>
</tr>
</table>

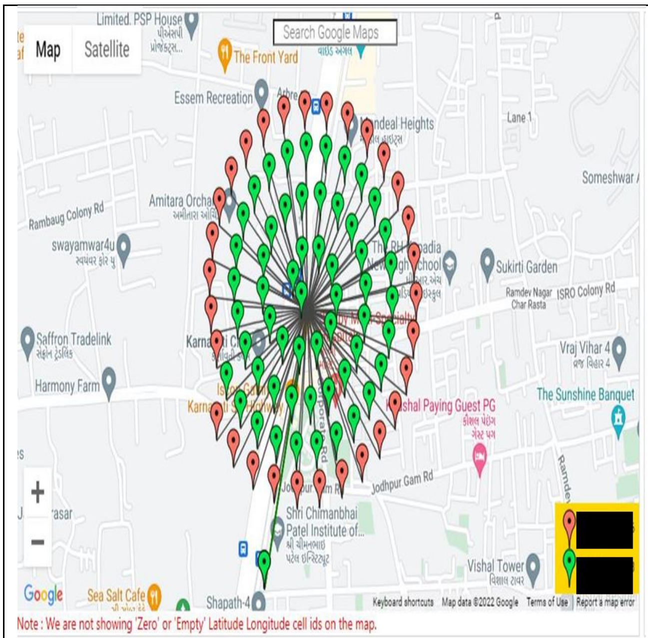
4		December 6, 2021 Shailesh S Patel has shared details of INR 10 note to Jalaj Agrawal .
5		December 6, 2021 Shailesh S Patel shares two promotional messages to Jalaj Agrawal. In the first message, features of telegram channel are mentioned. The second text states- “Buy Call Delivery Unison Metals Limited BSE Code 538610 ADD 10000 to 20000 QYT. @52.70 TG 80/120 SL 45”
7		December 14, 2021 Shailesh S Patel shared a promotional message of the scrip “Unison Metals Limited” The second text states- “Buy Call Delivery Unison Metals Limited BSE Code 538610 ADD 10000 to 20000 QYT. @70.35 TG 100/150 SL 60”

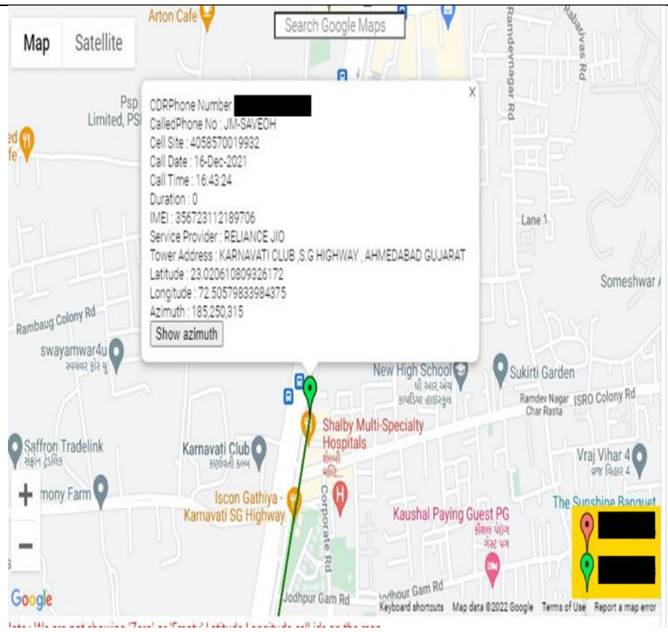
8		December 14, 2021 In the chat Shailesh S Patel has shared a promotional message of the scrip "Unison Metals Limited" "Buy Call Delivery Unison Metals Limited BSE Code 538610 ADD 10000 to 20000 QYT. @70.35 TG 100/160 SL 60"

12.5 As seen from clipping-4, the WhatsApp chats above, (retrieved from the seized iPhone of Mr.Jalaj Agrawal), it is observed that location of Karnavati club (situated in Ahmedabad) was shared on November 28, 2021. Further on December 06, 2021, a chat specifying the details of currency note having denomination of INR 10/- was shared. Further, on December 06, 2021 and December 14, 2021, chats were exchanged about the recommendations for postings on telegram channels in the scrip of UML.

12.6 Analysis of matching of tower/geographical location of Mr.Shailesh S Patel and Mr.Jalaj Agrawal (for time duration of 60 minutes and distance of 100 meters) during the investigation period is given below:

Clipping – 5





12.7 From clipping-5, it is observed from the tower location that, both Mr.Shailesh S Patel and Mr.Jalaj Agrawal were seen to be at Karnavati Club, Ahmedabad on November 29, 2021, December 16, 2021 & January 12, 2022.

12.8 <u>Fact Determined from the analysis of Whats app chats and tower location of Operators, Mr.Shailesh S Patel and Mr.Jalaj Agrawal</u>**:**

12.8.1 Mr.Shailesh S Patel used to make calls to Mr.Jalaj Agrawal from the mobile registered in the name of Mr.Malay Shaileshbhai Patel.

12.8.2 From the seized telephone device of Mr. Shailesh S Patel, it was noted that Mr.Shailesh S Patel had deleted almost a month's chat data for the period during December 2021, that he had with Mr.Jalaj Agrawal

12.8.3 From the Whatsapp chats extracted from the seized telephone device of Mr.Jalaj Agrawal, following are noted:

(i) There are frequent exchange of chats between Mr.Shailesh S Patel and Mr.Jalaj Agrawal.

(ii) Location address at Karnavati Club at Ahmedabad was shared between Mr.Shailesh S Patel and Mr.Jalaj Agrawal.

(iii) WhatsApp chats gave details of currency note of INR 10 apparently for cash delivery on December 6, 2021.

(iv) The stock recommendations given on telegram channels are seen to be shared between Mr.Shailesh S Patel and Mr.Jalaj Agrawal on December 6 & 14, 2021.

(v) The geographical tower location of Mr.Jalaj Agrawal and Mr.Shailesh S Patel was observed at Karnavati Club in Ahmedabad on three occasions i.e. on November 29, 2021 (few days before the first stock recommendation was posted on telegram channel), December 16, 2021 (during investigation period) and January 12, 2022 (post investigation period).

13. <u>Extracts of Statements taken under oath of Mr.Shailesh S Patel and Mr.Jalaj Agrawal</u>**:**

13.1 Mr.Jalaj Agrawal in his statement recorded on June 23, 2022, stated that he was contacted by Mr.Shailesh S Patel in last week of November, 2021 and subsequently, they met at Karnavati Club in Ahmedabad. In the meeting, Mr.Shailesh S Patel told him to promote the scrip UML in telegram channel(s) for around 15 days and for which a commission of INR 80 lakhs was decided to be paid to him. i.e. Mr.Jalaj Agrawal. The deposition of Mr.Jalaj Agrawal dated June 23, 2022 acknowledging his connection with Mr.Shailesh S Patel is as under :

"In last week of November 2021, I had received a call from Mr. Shailesh S Patel (I don't know from where he got my mobile number). I know him since then. In phone call he told me to meet him in Ahmedabad".

13.2 Mr.Jalaj Agrawal in his statement on query regarding the role played by him in the scrip of UML, has interalia deposed as follows-

"….. I had to pass on information of Unison Metals Ltd. to Mr. Arvind Shukla ……through a call. From December 06, 2021, the promotion activity was started through Telegram Channels namely Intraday Trading Equity Stock, Sure means Sure, Intraday Share Training Stock…... Mr. Shailesh Patel use to call me daily in the morning before market hours and informs me about price to be promoted in telegram channels. Immediately, I pass on the information to Mr. Arvind Shukla and ……. who in turn post the recommendations in the telegram channels. We had promoted the scrip of Unison Metals Ltd. for a period of around 12 days including market holidays."

13.3 Similarly, Mr.Shailesh S Patel in his statement recorded on August 23, 2022, stated that he had met Mr.Jalaj Agrawal in the last week of November, 2021 at Karnavati Club and out of total commission of INR 80 lakhs, INR 20 lakhs was paid to Mr.Jalaj Agrawal through non-banking route for off-loading of shares by Net Sellers/Profit Makers/ Beneficiaries. Mr.Shailesh S Patel has further in his statement stated that he had received commission for off-loading of shares by Net Sellers/Profit Makers/ Beneficiaries.

13.4 In this regard, details of deposition of Mr.Shailesh S Patel and Mr.Jalaj Agrawal are as under:

a) Mr.Shailesh S Patel _statement dated Aug 23, 2022-

"As stated in my earlier statement dated March 15, 2022, I had called Mr. Jalaj Agrawal in the last week of November-2021 and I met him in Karnavati Club, Ahmedabad on Nov 28, 2021. In the meeting, I told him to promote i.e. stock recommendations in the scrip UML for 15 days. For this purpose, we had a deal for total commission of Rs. 80 lakhs. Out of Rs.80 lakhs, I had paid commission of Rs.20 lakhs in cash through Angadia to Jalaj Agrawal".

b) On a query whether he knows Mr.Yayaati Hasmukhray Nada, Ms.Nirali Yayaati Nada, Mr.Jasavantbhai Patel, Mr.Jignesh Pravinbhai Pethani, Mr.Mukti Lodha, Mr.Nahush Ashvinbhai Shukla, Mr.Prajesh A Shukla, Ms.Reetaben Ashvinkumar Shukla and Mr.Hardik J Patel and whether they had contacted him. Mr.Shailesh S Patel replied as follows :

"Yes, I know the aforesaid persons except Mr, Jignesh Pravinbhai Patel and Ms. Mukti Lodha, indirectly through a middlemen (name I can't recollect). The aforesaid persons are major shareholders of UML. They have approached me in the last week of November 2021, for off-loading their holdings of around 23 lakh shares in UML. ……. I had engaged Mr. Jalaj Agrawal for off-loading the shares of UML."

c) As per Mr.Jalaj Agrawal's statement, post his meeting with Mr.Shailesh S Patel , he passed on the information to Mr. Arvind Shukla. He further stated that the stock recommendations in the scrip of UML commenced from December 06, 2021 and the recommendations were posted on telegram channels namely Intraday Trading Equity Stock, Sure means Sure, Intraday Share Training Stock, etc., for around 12 days (as per his memory). For this activity, Mr.Jalaj Agrawal stated that he had received commission from Mr.Shailesh S Patel through non-banking route.

13.5 Facts Determined based on statement taken under oath of Operators, Mr.Shailesh S Patel and Mr.Jalaj Agrawal :

13.5.1 The statements given under oath by Mr.Shailesh S Patel and Mr.Jalaj Agrawal confirm (i) their meeting at Karnavati Club, Ahmedabad (ii) collaboration between Mr.Jalaj Agrawal, Mr.Arvind Shukla and Mr.Shailesh S Patel in executing the scheme by passing information and subsequent posting of recommendations on telegram channels.

13.5.2 In his statement, Mr.Shailesh S Patel also admitted/ acknowledged the commission payable to Mr.Jalaj Agrawal which was also confirmed by Mr. Jalaj Agrawal. It was confirmed that some commission was paid in cash. Mr.Shailesh S Patel also confirmed having known certain Net Sellers/Profit Makers/ Beneficiaries of UML who are the major shareholders of UML and who approached him for offloading the shares.

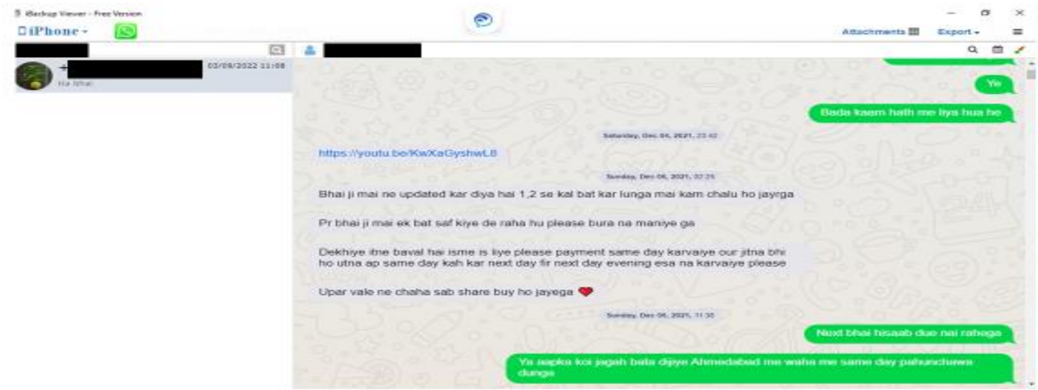
13.5.3 The above analysis corroborates the fact that Mr.Shailesh S Patel engaged Mr.Jalaj Agrawal to make stock recommendations in the scrip of UML, who in turn engaged Mr.Arvind Shukla, the administrator of telegram channels, for posting stock recommendations in the scrip of UML on telegram channels.

14. Connections through WhatsApp Chats among Operators – Mr.Jalaj Agrawal and Mr.Arvind Shukla

14.1 On analysis of data available in the seized phone of Mr.Jalaj Agrawal, a WhatsApp chat in relation to the instant investigation matter was found with unsaved mobile number 94XX699XXX . It was observed that the WhatsApp chat with aforesaid mobile number started on December 02, 2021 and continued for the days of recommendations. As seen at clipping-6 below, a promotional video in the scrip of UML was exchanged on December 04, 2021.

Further, on December 05, 2021, there was a particular chat about posting of recommendations and payment for said activity, both on this unsaved mobile number. The relevant chat on the aforesaid days is given below:

<u>Clipping - 6</u>

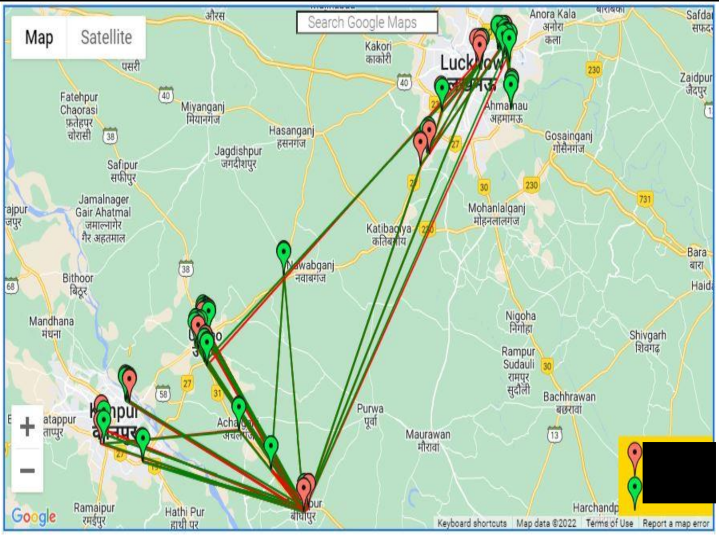
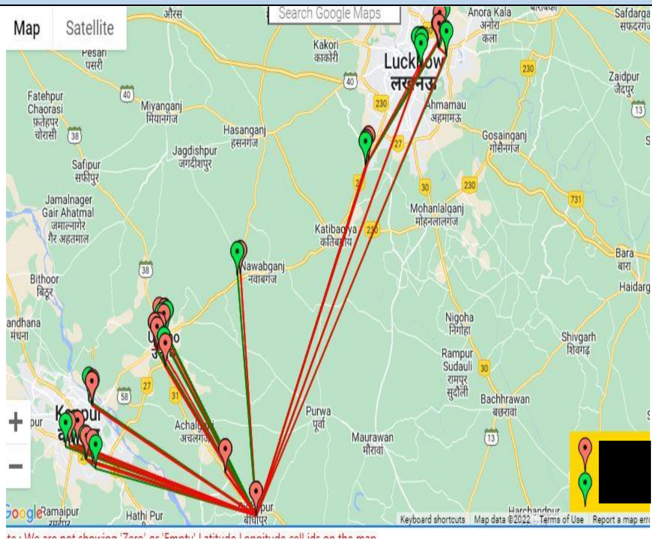


14.2 On examination of the chats of Mr.Jalaj Agrawal with this unsaved mobile number 94XX699XXX, it was observed that Mr.Jalaj Agrawal had requested the recipient of these chats to post the recommendation in all channels. It was observed that clippings of commission/ amount payable to Mr.Arvind Shukla were also shared on this unsaved mobile number.

14.3 In the above context, it is noted that Mr.Arvind Shukla during his statement recording had stated that the mobile numbers 94XX699XXX (referred at para 14.1) and another mobile number, 99XX417XXX were used by him.

14.4 In this respect, on analysis of tower/geographical movement of Mr.Arvind Shukla's mobile number 81XX812XXX is as given below:

Clipping - 7

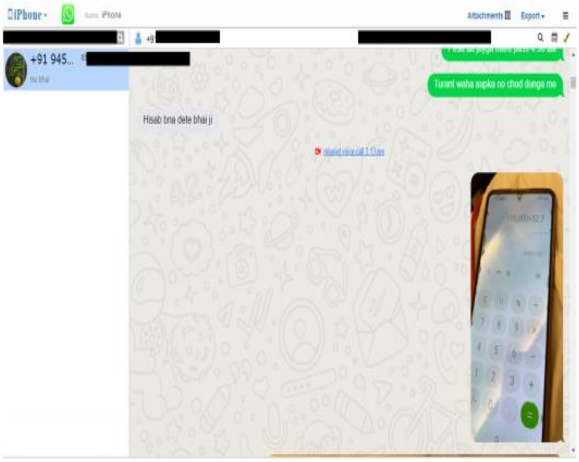
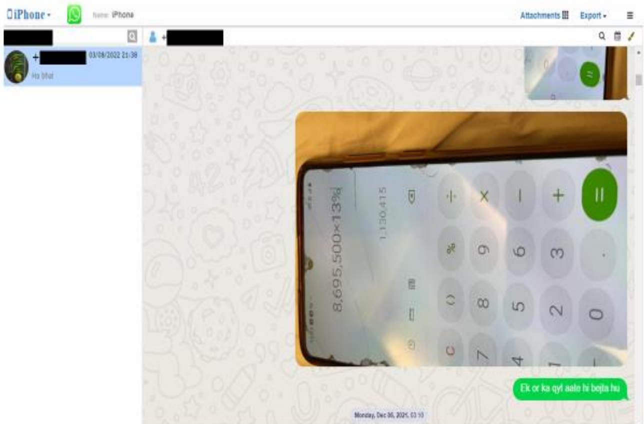
Picture showing tower movement of 81XX812XXX and 94XX699XXX	Picture showing tower movement of 94XX699XXX and 99XX417XXX
	

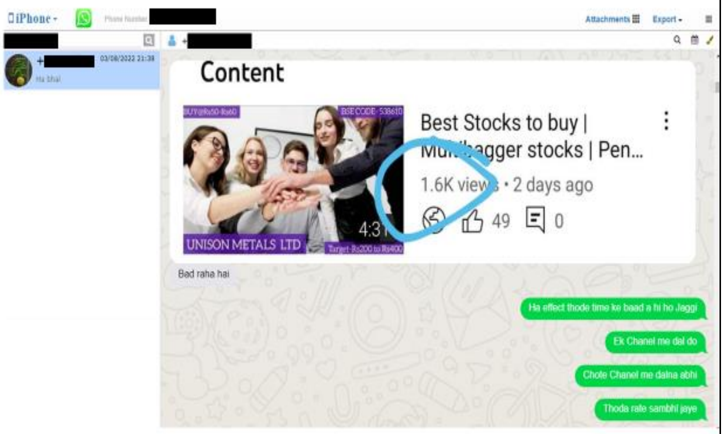
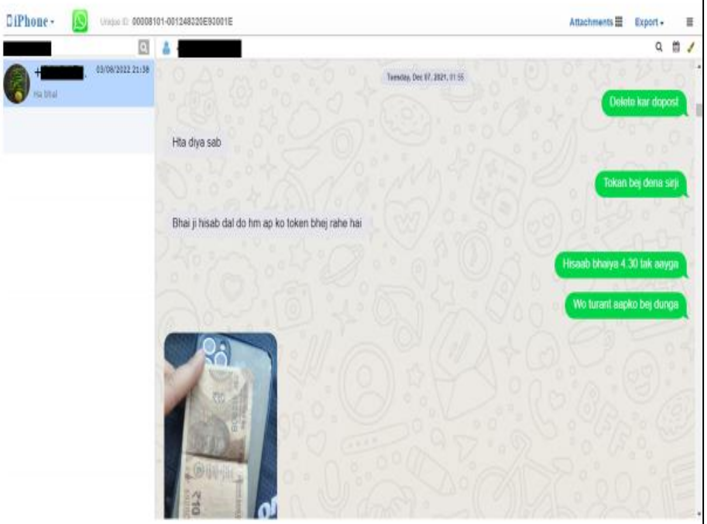
14.5 On analysis of the above tower location at clipping-7, it was observed that movement of Mr.Arvind Shukla's mobile number was seen along with the mobile numbers referred in the immediately preceding paragraphs viz. 94XX699XXX and 99XX417XXX.

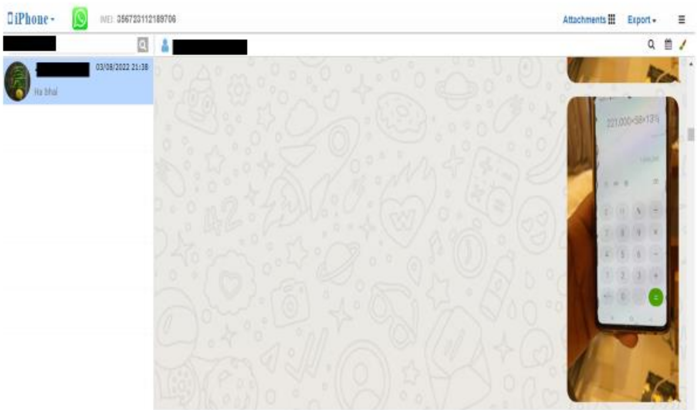
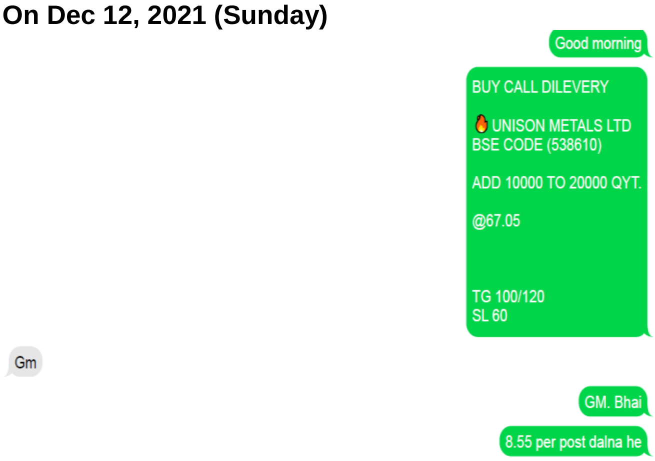
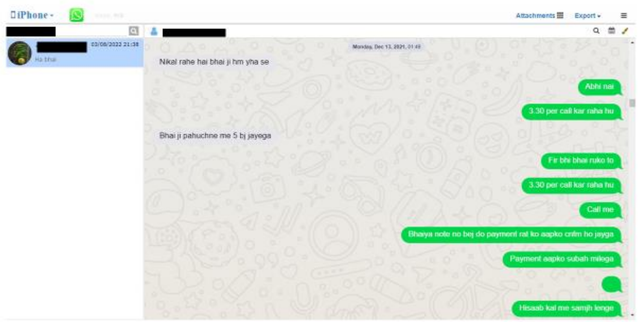
14.6 Sample WhatsApp chats of between Mr.Jalaj Agrawal and Mr.Arvind Shukla obtained from the seized mobile of Mr. Jalaj Agrawal are given below:

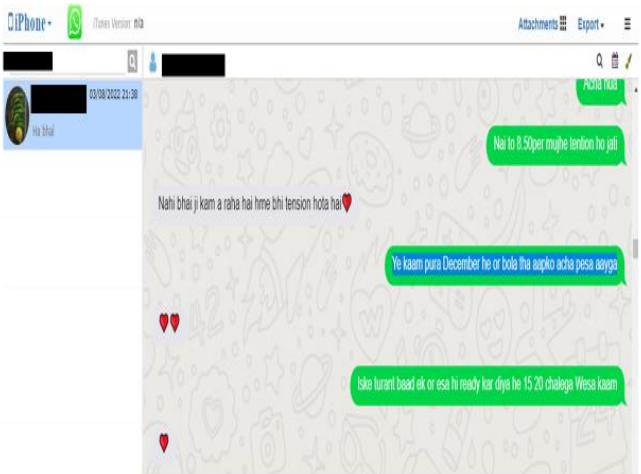
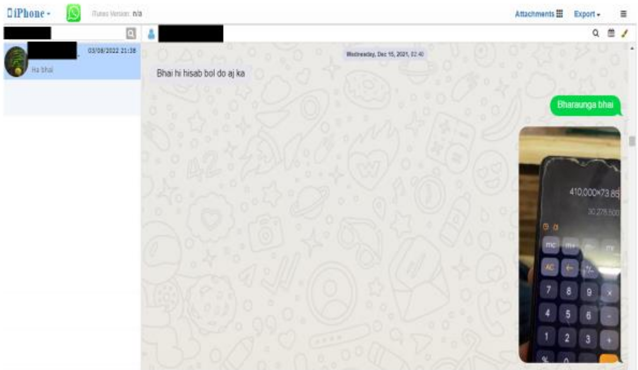
Clipping-8

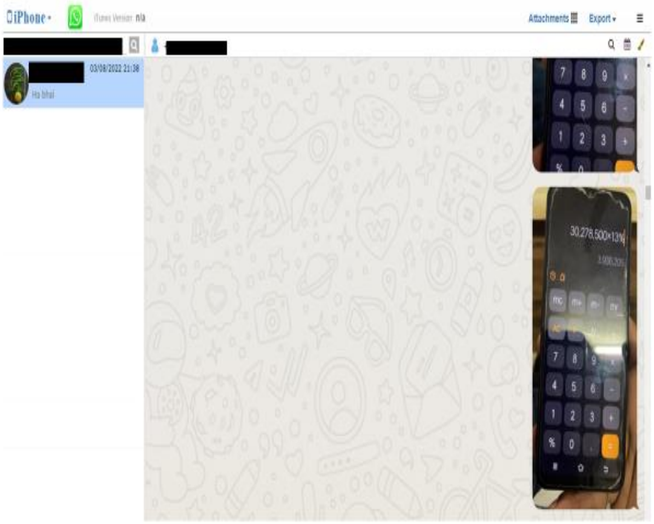
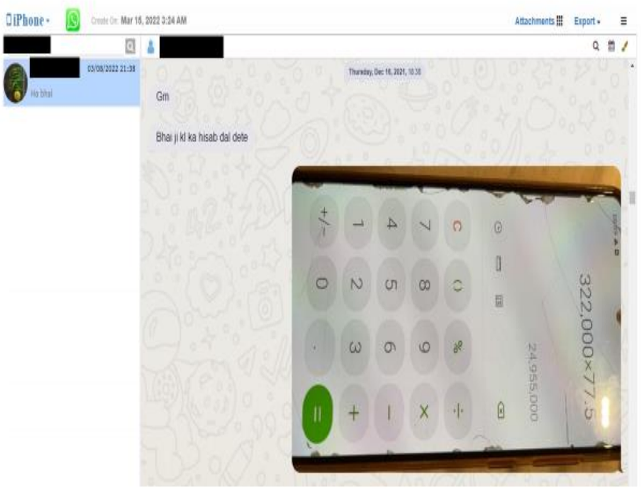
Sr. No	Snapshot of WhatsApp chats between Jalaj Agrawal and Arvind Shukla	Details of Chat
1.	On Dec 06, 2021	The evidence extracted from the device of Jalaj Agrawal shows the calculation of commission amount for 1,65,000 shares of UML sold on Dec 06, 2021. The details in the clippings is as follows: - 1,65,000 shares means number of shares of UML sold on Dec 06, 2021.

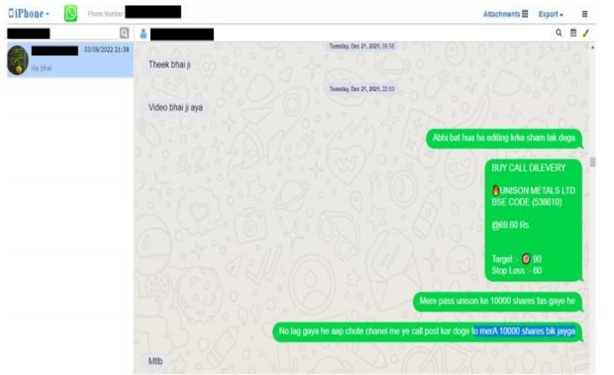
Sr. No	Snapshot of WhatsApp chats between Jalaj Agrawal and Arvind Shukla	Details of Chat
	  	- INR 52.70 is the closing price of UML on Dec 06, 2021. - INR 86,95,500 is the total value of shares sold on Dec 06, 2021 (1,65,000 x Rs.52.70) - 13% is commission i.e. INR 86,95,500 x 13% = INR11,30,415, represents commission towards the sale of shares by posting stock recommendation on telegram channel(s).

Sr. No	Snapshot of WhatsApp chats between Jalaj Agrawal and Arvind Shukla	Details of Chat
		On Dec 06, 2021, Arvind Shukla shared a promotional video of UML having a length of 4:31 minutes to Jalaj Agrawal. In reply, Jalaj Agrawal said the following: - Effect will come after some time - Post in one small channel - Look after the rate
2.	**On Dec 07, 2021**  	In the chat, Jalaj Agrawal told Arvind Shukla to delete the post and asked him to send the token. In reply, Arvind Shukla told Jalaj Agrawal to send the calculation of commission, for posting recommendation about UML in telegram channel(s). To which Jalaj Agrawal replied that he will send the calculation by 04:30. Then after Arvind Shukla shared a currency note having denomination of INR 10, as a token. Jalaj Agrawal shared a stock recommendation in the scrip of UML with Arvind Shukla , which contains the following details: - Name and scrip code - Range of quantity to buy - Buy Price - Target and Stop A similar recommendation message was shared by Jalaj Agrawal to Arvind Shukla on Dec 08, 2022, with a change of buy price i.e. INR 60.95.

Sr. No	Snapshot of WhatsApp chats between Jalaj Agrawal and Arvind Shukla	Details of Chat
3.	**On Dec 08, 2021** 	Jalaj Agrawal shared the calculation of commission for sale of 2,21,000 shares of UML on Dec 08, 2021. The details of calculation are as follows: - 2,21,000 shares means the number of shares of UML sold on Dec 08, 2021. - INR 58 is nearest to the closing price of UML on Dec 08, 2021. - INR 16,66,340 i.e. INR 2,21,000 x 58 x 13% represents commission towards the sale of shares by posting stock recommendations on telegram channel(s).
4.	**On Dec 12, 2021 (Sunday)** 	In the chat Jalaj Agrawal shared a stock recommendation in the scrip of UML with Arvind Shukla , which contains the following details: - Name and Scrip code - Range of quantity to buy - Buy Price i.e. INR 67.05 - Target and Stop Jalaj Agrawal also told to Arvind Shukla to post the recommendation @ 8:55.
5.	**On Dec 13, 2021** 	In one of the chats, Jalaj Agrawal asked Arvind Shukla to share the note number and told him that payment will be received by night.

Sr. No	Snapshot of WhatsApp chats between Jalaj Agrawal and Arvind Shukla	Details of Chat
	 	In reply Arvind Shukla shared a currency note having denomination of INR 10 (bearing number 64H 940615). In one of the chats, Jalaj Agrawal told Arvind Shukla that the work will be for the whole of December and he will be paid a good amount.
6.	**On Dec 15, 2021** 	Jalaj Agrawal shared the calculation of commission for the sale of 4,10,000 shares of UML on Dec 15, 2021. The details of calculation are as follows: - 4,10,000 shares means the number of shares of UML sold on Dec 15, 2021. - INR 73.85 is the closing price of UML on Dec 15, 2021. - INR 39,36,205 i.e. INR 4,10,000 x INR 73.85 x 13%

Sr. No	Snapshot of WhatsApp chats between Jalaj Agrawal and Arvind Shukla	Details of Chat
		represents commission towards sale of shares by posting stock recommendations on telegram channel(s).
7.	**On Dec 16, 2021** 	Jalaj Agrawal shared the value i.e. INR 2,4,9,55,000/- of UML shares sold on Dec 16, 2021. The details of the calculation are as follows: - 3,22,000 shares means the number of shares of UML sold on Dec 16, 2021. - INR 77.50 is the closing price of UML on Dec 16, 2021.
8.	**On Dec 21, 2021**	In the chat Jalaj Agrawal shared a stock recommendation in the scrip of UML with Arvind Shukla , which contains the following details: - Name and Scrip code - Range of quantity to buy - Buy Price i.e. INR 69.60 - Target and Stop

<table>
<tr><th>Sr. No</th><th>Snapshot of WhatsApp chats between Jalaj Agrawal and Arvind Shukla</th><th>Details of Chat</th></tr>
<tr><td></td><td>
</td><td></td></tr>
</table>

14.7 From the above clipping-8, it is observed that, on the instructions of Mr.Jalaj Agrawal , stock recommendations in the scrip of UML were posted in telegram channels by Mr.Arvind Shukla . Mr.Jalaj Agrawal also shared sample stock recommendations in the scrip of UML to be posted in telegram channels with Mr.Arvind Shukla. The stock recommendation to buy the shares of UML includes scrip name and code, range of quantity to be bought, buying price, and target/stop loss price. Further, Mr.Jalaj Agrawal instructed Mr.Arvind Shukla to delete the stock recommendations in the scrip of UML after posting. Mr.Arvind Shukla shared a promotional video in the scrip of UML with Mr.Jalaj Agrawal. Subsequently, Mr.Jalaj Agrawal instructed Mr.Arvind Shukla to post the video link in telegram channels. Mr.Jalaj Agrawal on daily basis shared the number of shares sold in the scrip UML along with price and commission amount on the recommendation days with Mr.Arvind Shukla. Based on the token i.e. currency note received from Mr.Arvind Shukla , Mr.Jalaj Agrawal arranged the payment towards commission to Mr.Arvind Shukla . As seen from the chats, Mr.Jalaj Agrawal has shared the calculation of commission based on the number of shares sold on a particular day when the Net Sellers/Profit Makers/Beneficiaries offloaded their shares and the closing price on that particular day and the rate of commission being 13%.

14.8 The involvement of Mr.Arvind Shukla in promoting the scrip of UML is also substantiated from the statement taken under oath by Mr.Arvind Shukla on

July 8, 2022. On the query regarding his role in the stock recommendation in the scrip of UML, Mr.Arvind Shukla replied as follows: *In the month of December 2021, Mr. Jalaj Agrawal had contacted me either through calls/whatsapp/telegram for posting stock recommendations in the scrip of Unison Metals Ltd. in telegram channels administered by me. I use to receive stock recommendation from Mr. Jalaj Agrawal and subsequently I use to post the stock recommendations in the scrip of Unison Metals Ltd. The stock recommendations were posted for around 10-12 days in December 2021. I had an arrangement for commission for around 3% to 4% on value of shares sold. I had received approx.25 lakhs for posting stock recommendations in Unison Metals Ltd. in cash form on different days…..".* Mr. Arvind Shukla in his statement under oath on March 21, 2022, interalia, stated that for carrying out the promotion activities in the scrip of UML, he used to receive money in the range of INR 10,000 to INR 20,000 per day from Mr. Jalaj Agrawal.

14.9 <u>Facts determined based on connection between Operators, Mr.Jalaj Agrawal and Mr.Arvind Shukla:</u>

14.9.1. Mr.Arvind Shukla posted the stock recommendations on telegram channels on the instructions given by Mr.Jalaj Agrawal.

14.9.2. Mr.Arvind Shukla shared a promotional video in the scrip of UML with Mr.Jalaj Agrawal.

14.9.3. Mr.Jalaj Agrawal on daily basis shared the number of shares sold in the scrip UML along with price and commission amount on the recommendation days with Mr.Arvind Shukla .

14.9.4. Mr.Jalaj Agrawal shared the calculation of commission based on the number of shares sold on a particular day when the Net Sellers/Profit Makers/Beneficiaries offloaded their shares

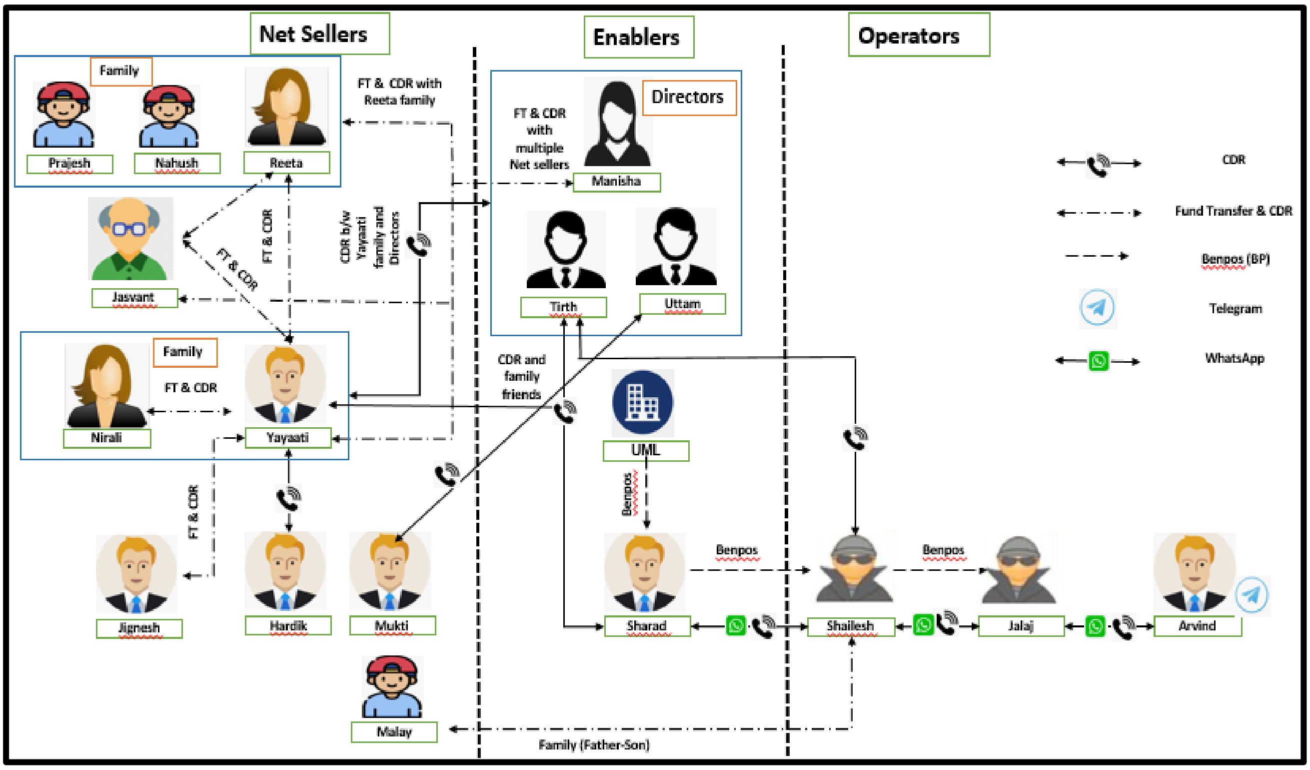
14.9.5. Mr.Arvind Shukla, was engaged by Mr.Jalaj Agrawal to carry out stock recommendations and for promoting the scrip of UML. Mr.Arvind Shukla has also stated to have received money in the range of INR 10,000 to INR 20,000 per day from Mr.Jalaj Agrawal for carrying out this promotional activity.

14.9.6. From the seized phone of Mr.Jalaj Agrawal , chats with an unsaved mobile number were found whereby details related to the stock recommendation of UML were seen. Mr.Arvind Shukla in his statement had submitted that the referred mobile number where the chats were seen was used by him. This submission of Mr.Arvind Shukla was also substantiated from the tower locations of both the mobile numbers.

14.9.7. Mr.Arvind Shukla in his statement taken under oath has submitted that Mr.Jalaj Agrawal had contacted him for posting stock recommendations in the scrip of UML and in return there was an arrangement for commission. Arvind stated to have received approx.INR 25 lacs for posting recommendations of UML.

15. <u>Connections depicting between Net Sellers/Profit Makers/ Beneficiaries with Operators of Telegram Channels and Enablers in the scrip of UML, is provided below:</u>

<u>Diagram - 1</u>

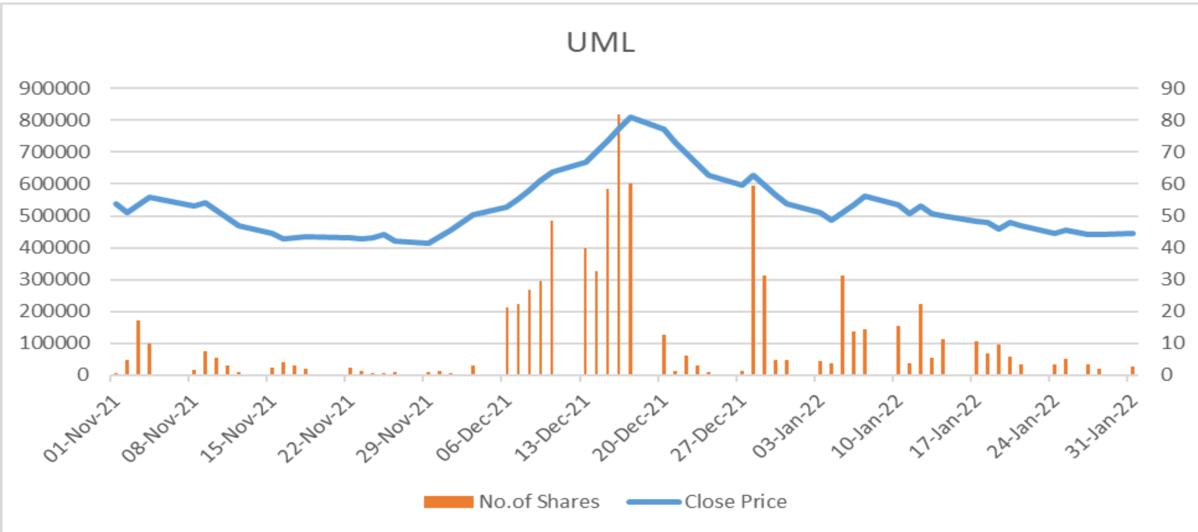


F. <u>Analysis of Price/Volume movement in the scrip</u>

16. As observed during the course of investigation that stock recommendations were posted on Telegram Channels that has sufficiently large investors/subscribers and taking advantage of the same, the Net Sellers/Profit Makers/ Beneficiaries were noticed to have off loaded their substantial holdings on days when stock tips were posted on those channels. In this respect, an analysis on price/volume movement of UML vis-à-vis dates when the stock recommendation was posted vis-à-vis with the trades executed by the Net Sellers/Profit Makers/ Beneficiaries are discussed in the subsequent paragraphs.

17. A chart showing price/volume movement of UML during the period from November, 2021 to January, 2022 is as follows: (Source: PV data obtained from BSE website)

Diagram - 2



17.1 It was observed that on the days of recommendation(s) posted on Telegram Channels, a spurt in volume and price was observed in the scrip of UML. For better understanding and appreciation of impact of posting of stock recommendation on the price and volume of UML, the price/volume movement has been divided into 3 patches and the movement of price and volume is given in the table below:

- Period 1 - Period prior to stock recommendations

- Period 2 - Period when the stock recommendations were posted
- Period 3 - Period post stock recommendations

Table - 10

Patch	Period	Particulars	Opening Price (INR) & volume on first day of the period	High Price (INR) & Volume during the period	Low Price (INR) & Volume during the period	Closing Price (INR) & volume on last day of the period	Total Number of Shares traded	Avg. no. of shares traded per day during the period
Period 1	01-Nov-2021 to 30-Nov-2021	Price	53.80	58.00	40.05	43.45	6,95,206 (20 trading days)	34,760
		Volume	5,131 (Nov 01)	15,513 (Nov 08)	8,230 (Nov 29)	13,768 (Nov 30)		
Period 2	01-Dec-2021 to 31-Dec-2021	Price	45.60	84.00	44.00	53.85	55,03,944 (23 trading days)	2,39,301
		Volume	7,254 (Dec 01)	1,24,834 (Dec 20)	7,254 (Dec 01)	48,485 (Dec 31)		
Period 3	01-Jan-2022 to 31-Jan-2022	Price	51.20	59.05	42.30	44.35	17,71,881 (20 trading days)	88,594
		Volume	44,348 (Jan 01)	1,53,873 (Jan 10)	51,727 (Jan 25)	27,020 (Jan 31)		

17.2 The following was observed from the table above -

17.2.1. In period 1, price of the scrip opened at INR 53.80 (Nov 01, 2021), touched a high price of INR 58.00 (Nov 08, 2021) and closed at INR 43.45 (Nov 30, 2021). In 20 trading days, 6,95,206 shares were traded with an average daily volume of 34,760 shares. The price increased by 7.81% on open to high basis and decreased by 19.24% on open to close basis.

17.2.2. In period 2, price of the scrip opened at INR 45.60 (Dec 01, 2021), touched a high price of INR 84.00 (Dec 20, 2021) and closed at INR 53.85 (Dec 31, 2021). In 23 trading days, 55,03,944 shares were traded with an average daily volume of 2,39,301 shares. The price increased by more than 84% on open to high basis and decreased by 18.09% on open to close basis.

17.2.3. In period 3, price of the scrip opened at INR 51.20 (Jan 01, 2022), touched a high price of INR 59.05 (Jan 10, 2022) and closed at INR 44.35 (Jan 31, 2022). In 20 trading days, 17,71,881 shares were traded with an average daily volume of 88,594 shares. The price increased by 15.33% on open to high basis and decreased by 13.38% on open to close basis.

17.2.4. As stated above, there was a total number of 40 trading days during period 1 & 3 and the total number of shares traded were 24,67,087 shares. Whereas, in period 2, with 23 trading days, 55,03,944 shares were traded with an average daily volume of 2,39,301 shares. The average daily volume of period 2 was 6.88 times of average daily volume of period 1 and 2.70 times of average daily volume of period 3.

17.2.5. Further, there was more than 84% increase in open to high basis in period 2, which is much higher in comparison to period 1 and period 3.

17.2.6. This prima facie illustrates that the stock recommendation on telegram channels had significant impact on the price and volume in the scrip of UML.

G. **<u>Details of stock recommendations on telegram channels vis-à-vis trades carried out by Net Sellers/Profit Makers/ Beneficiaries</u>**

18. Having discussed the connection amongst Net Sellers/Profit Makers/ Beneficiaries, Operators and Enablers, I now proceed to examine the matter with respect to specific dates when the stock recommendations in the scrip of UML were posted on telegram channels. This is to be examined alongwith trades carried out by the Net Sellers/Profit Makers/ Beneficiaries by taking advantage of upward movement of the price/volume in the scrip during December 2021. Therefore, it needs to be ascertained whether based on the stock recommendations given on telegram channels and the subsequent spurt in the price/volume in the scrip, whether the Net Sellers/Profit Makers/

Beneficiaries sold their securities in the scrip of UML during this upward price/volume movement and made profit out of such trades.

18.1 On analysis of the evidences placed before me, many instances have been observed with respect to trades being carried out by Net Sellers/Profit Makers/ Beneficiaries pursuant to spurt in price/volume in the scrip of UML due to the stock recommendations on telegram channels. These instances of stock recommendations, analysis of the price/volume movement in the scrip and the subsequent trades by the Net Sellers/Profit Makers/ Beneficiaries is being discussed in the succeeding paragraphs.

18.2 As discussed earlier, the stock recommendations in the scrip of UML were posted on 06, 08, 09, 10, 13, 14, 15, 16, 17, 20, 22 & 23, of December 2021 on telegram channels.

18.3 Dates when stock recommendation was given by operators vis-à-vis the dates when trades were carried out by Net Sellers/Profit Makers/ Beneficiaries in December 2021:

Table - 11

Sr. No.	Net Sellers/Profit Makers/ Beneficiaries	Date on which Net Sellers/Profit Makers/ Beneficiaries traded in December - 2021														
		06	07	08	09	10	13	14	15	16	17	20	22	23	28	29
1	Yayaati Hasmukhray Nada						✓		✓	✓	✓				✓	✓
2	Nirali Yayaati Nada						✓	✓	✓	✓						
3	Jasavantbhai Patel	✓	✓	✓	✓	✓	✓									
4	Jignesh Pravinbhai Pethani							✓	✓							
5	Mukti Lodha								✓	✓						

Sr. No.	Net Sellers/Profit Makers/ Beneficiaries	Date on which Net Sellers/Profit Makers/ Beneficiaries traded in December - 2021														
		06	07	08	09	10	13	14	15	16	17	20	22	23	28	29
6	Nahush Ashvinbhai Shukla	✓	✓	✓	✓	✓	✓				✓					
7	Prajesh A Shukla	✓	✓	✓	✓	✓	✓									
8	Malay Shaileshbhai Patel	✓	✓	✓												
9	Reetaben Ashvinkumar Shukla	✓	✓	✓	✓	✓	✓									
10	Hardik J Patel	✓	✓	✓					✓	✓	✓					

The tick (✓) indicates the trading of Net Sellers/Profit Makers/ Beneficiaries on respective dates.

18.4 As seen from the above table, posting of stock recommendations on Telegram Channels were found for all the days given in the table except that on 07, 28 & 29 of December 2021. Further as seen from the table above, there is no sale of shares by the Net Sellers/Profit Makers/ Beneficiaries on 20, 22 & 23 of December 2021, though stock recommendations were posted on these dates. It may be noted that it is not necessary that there is one to one matching of stock recommendations with the selling of shares by the Net Sellers/ Profit Makers/ Beneficiaries. What is important to see is the linkage over a period of time. Further, if instead of expected increase in price, the price actually falls, then the limit orders placed by the Net Sellers/Profit Makers/ Beneficiaries will not get executed.

18.5 The holding cum transaction statement of Net Sellers/Profit Makers/ Beneficiaries in the scrip of UML for the period December, 2021 is as follows:

Table – 12

Noticee No.	Net Seller/ Profit Maker/Beneficiary		Opening Balance as on 01-Dec-2021		Transactions during Dec, 2021				Closing Balance as on 31-Dec-2021	
					Buy		Sell			
	PAN	Name	No. of Shares	% of Shareholding	No. of Shares	%	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
1	AGFPN4412J	YAYAATI HASMUKHRAY NADA	948459	5.92%		-	675470	4.22%	272989	1.70%
2	AGGPL9393R	NIRALI YAYAATI NADA	427350	2.67%		-	427350	2.67%	0	0.00%
3	BJHPP4604A	JASAVANTBHAI PATEL	348300	2.17%	2016	0.01%	346800	2.16%	3516	0.02%
4	AXWPP3633P	JIGNESH PRAVINBHAI PETHANI	184193	1.15%		-	184193	1.15%	0	0.00%
5	AEIPJ9758G	MUKTI LODHA	175000	1.09%		-	175000	1.09%	0	0.00%
6	DDDPS0405J	NAHUSH ASHVINBHAI SHUKLA	181700	1.13%		-	170305	1.06%	11395	0.07%
7	FPUPS7459F	PRAJESH A SHUKLA	149960	0.94%		-	149960	0.94%	0	0.00%
8	BLOPP9579F	MALAY SHAILESHBHAI PATEL	121689	0.76%	3591	0.02%	119812	0.75%	5468	0.03%
9	BEEPS5008B	REETABEN ASHVINKUMAR SHUKLA	112256	0.70%		-	110756	0.69%	1500	0.01%
10	AKLPP6832C	HARDIK J PATEL	80000	0.50%		-	80000	0.50%	0	0.00%
		Total	**2728907**	**17.03%**	**5607**	**0.03%**	**2439646**	**15.23%**	**294868**	**1.84%**

18.6 It was observed that Net Sellers/Profit Makers/ Beneficiaries viz. Ms.Nirali Yayaati Nada, Mr.Jignesh Pravinbhai Pethani, Mr.Mukti Lodha, Mr.Prajesh A Shukla, and Mr.Hardik J Patel off-loaded their complete holdings while Mr.Yayaati Hasmukhray Nada, Mr.Jasavantbhai Patel, Mr.Nahush Ashvinbhai Shukla Mr.Malay Shaileshbhai Patel and Ms.Reetaben Ashvinkumar Shukla off-loaded majority of their holdings in UML, in the month of December 2021. It is seen that, as on the start of the investigation period the Net Sellers/Profit Makers/ Beneficiaries had a total shareholding of 27,28,907 shares which is 17.03% of the share capital of UML. However, by the end of the investigation period their consolidated shareholding reduced to 2,94,868 shares which is meagre 1.84% of the share capital of UML. This presents a strong co-relation between posting of recommendation on telegram channels and selling/ off loading of shares by Net Sellers/Profit Makers/ Beneficiaries using increase in price/volume in the scrip of UML.

19. Analysis of order placement of Net Sellers/Profit Makers/ Beneficiaries on sample recommendation days, December 14, 2021 and December 15, 2021**:** **(source: Trade log**)

In order to verify the details provided in the recommendations such as posting time, recommended buy price, vis-à-vis the trading of Net Sellers/Profit Makers/ Beneficiaries an analysis of the order placement by the Net Sellers/Profit Makers/ Beneficiaries was carried out. Based on the analysis of price/volume movement of the scrip of UML to the total shares sold by Net Sellers/Profit Makers/ Beneficiaries, it is observed that the price increased maximum on close to close basis i.e. 5% on December 14, 2021 and maximum shares were sold on December 15, 2021.

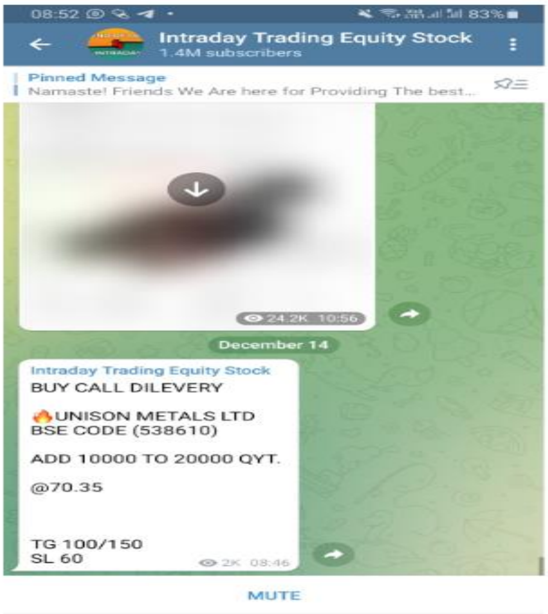
19.1 <u>Recommendation day-December 14, 2021</u>:

19.1.1 It has been noticed that recommendation to buy shares in the scrip of UML was posted on two telegram channels namely, 'Intraday Trading Equity Stock' and 'Intraday Share Training Stock' at the same time i.e. 08:46 AM. The telegram post has details regarding scrip name and code i.e. UML, buy price- INR 70.35, quantity to be bought in the range (10,000 to 20,000), target price- INR100/150, stop loss-INR 60.

<u>Clipping - 9</u>

(On December 14, 2021)

Channel – "Intraday Trading Equity Stock"	Channel – "INTRADAY SHARE TRAINING STOCK"



19.1.2 Price movement of scrip on aforesaid day is as follows:

<u>Table - 13</u>

Prev. Close (C.) price	Open Price	High Price	Low Price	Close Price	Volume	% change on C to C basis
67.00	70.35	70.35	68.35	70.35	3,26,334	5.00

It can be observed that the price of scrip increased in pre-open session itself and the price recommended in telegram channels was exactly matching with the open price. The total number of shares traded on December 14, 2021 was 3,26,334 shares.

19.1.3 As seen from the immediately preceding two paragraphs, the stock recommendation was posted at 08.46 a.m. for a buy price of INR 70.35 and in the pre-open session itself (that is between 9.00 a.m. and 9.15 a.m.) the price of the scrip had reached a high of INR 70.35 from the previous closing of INR 67. This *prima facie* reveals that the spurt in the price of the scrip in the pre-open session is connected to the stock recommendation, posted on December 14, 2021, more so in the absence of any other corporate or material announcement by the Company UML.

19.1.4 The order placement of Ms.Nirali Yayaati Nada & Mr.Jignesh Pravinbhai Pethani on December 14, 2021 is as follows:

Table - 14

Sr. No.	PAN No.	Net Seller/ Profit Maker/ Beneficiary	Order No.	Order Time	Order Qty.	Order Rate (in INR)	Modified Order Time	Modified Order Qty.	Trade Time/ range	Trade Rate (in INR)	Traded Qty.	Traded Value (in INR)
1.	AXWPP 3633P	Jignesh Pravin bhai Pethani	1639452600001729041	11:42:05	50000	70.35	-	-	11:42:05 - 14:26:21	70.35	50000	3517500
			1639452600001784481	14:48:22	100000	70.35	-	-	14:48:22 - 15:21:21	70.35	100000	7035000
			1639452600001794725	15:20:38	25000	70.35	-	-	15:21:21 - 15:28:00	70.35	25000	1758750
				Total A	**175000**						**175000**	**12311250**
2.	AGGPL 9393R	Nirali Yayaati Nada	1639452600001693961	10:19:10	25000	70.35	-	-	10:19:10 - 10:55:16	70.35	25000	1758750
			1639452600001714387	10:55:42	15000	70.35	-	-	10:56:01 - 11:22:55	70.35	15000	1055250
				Total B	**40000**						**40000**	**2814000**
				TOTAL (A+B)	**215000**						**215000**	**15125250**

19.1.5 From the above table, it can be observed that Ms.Nirali Yayaati Nada & Mr.Jignesh Pravinbhai Pethani sold 40,000 and 1,75,000 shares, respectively, on December 14, 2021. All the sell orders placed by Ms.Nirali Yayaati Nada & Mr.Jignesh Pravinbhai Pethani were limit orders @ of INR 70.35, which was exactly matching with the price recommended in Telegram Channels and the price that was arrived at during the pre-open session. Ms.Nirali Yayaati Nada and Mr.Jignesh Pravinbhai Pethani placed two and three sell orders respectively and the timing of the orders were at 10:19:10 and 15:20:38 and trade time was in the range between 10:19:10 – 15:28:00. At this point there was spurt in the buy orders available in the system which enabled the Ms.Nirali Yayaati Nada and Mr.Jignesh Pravinbhai Pethani to place their orders and get the same executed at the price for which the stock was recommended. Thus, the required buy orders were available in the system and Ms.Nirali Yayaati Nada and Mr.Jignesh Pravinbhai Pethani placed their sell orders within a time span of more than 30 minutes in order to ensure that their sell orders find a smooth passage into its execution to trade. It is observed that the first order of Mr.Jignesh Pravinbhai Pethani was placed at 11:42:05, which is subsequent to the execution of both the orders of Ms.Nirali Yayaati Nada. It is also observed that both Ms.Nirali Yayaati Nada and Mr.Jignesh Pravinbhai Pethani placed their limit sell orders at different time intervals throughout the day.

19.1.6 The trade details of Ms.Nirali Yayaati Nada and Mr.Jignesh Pravinbhai Pethani on December 14, 2021 is as follows:

Table - 15

Net Seller/ Profit Maker/Beneficiary	Clnt PAN	Gr Buy Vol	Gr Sell Vol	Net Trd Vol	Gr Buy Value	Gr Sell Value	Vol% - Net Trd Vol/ Mkt Net
Nirali Yayaati Nada*	AGGPL9393R	0	40000	-40000	0.00	2814000.00	12.26
Jignesh Pravinbhai Pethani	AXWPP3633P	0	175000	-175000	0.00	12311250.00	53.63

*Call transcript from broker has revealed that Mr.Yayaati Hasmukhray Nada was also placing orders for his wife Ms.Nirali Yayaati Nada.

19.1.7 As can be seen from the table above, Ms.Nirali Yayaati Nada and Mr.Jignesh Pravinbhai Pethani had net sold 40,000 shares and 1,75,000 shares and contributed overall 12.26% and 53.63% respectively to the market volume and had contributed a significant percentage to the number of shares traded on that day. On this day, Ms.Nirali Yayaati Nada & Mr.Jignesh Pravinbhai Pethani have collectively sold 2,15,000 shares, which is almost 65.89% of the market net volume on that day.

19.2 Recommendation day - December 15, 2021

19.2.1 The stock recommendation in the scrip of UML was posted on Telegram Channel namely "Intraday Trading Equity Stock at 11:02 AM". The message posted is as follows:

Clipping - 10

(On December 15, 2021)

19.2.2 The telegram post has details regarding scrip name and code i.e. UML, buy price-INR 73.85, quantity to be bought in the range (10,000 to 20,000), target price- INR100/150, stop loss-INR 65. Price movement in the scrip on aforesaid day is as follows:

Table - 16

Prev. Close price (C.)	Open Price	High Price	Low Price	Close Price	Volume	% change on C to C basis
70.35	73.85	73.85	71.80	73.85	5,83,900	4.98

19.2.3 It can be seen that the price of the scrip increased in pre-open session itself and the price recommended in telegram channel was exactly matching with the open price. The total number of shares traded on December 15, 2021 was 5,83,900.

19.2.4 The order placement of Net Sellers/Profit Makers/ Beneficiaries on December 15, 2021 is as follows:

<u>Table - 17</u>

Sr.No.	PAN No.	Net Seller/ Profit Maker/ Beneficiary	Order No.	Order Time	Order Qty.	Order Rate (in INR)	Modified Order Time	Modified Order Qty.	Trade Time/range	Trade Rate (in INR)	Traded Qty.	Traded Value (in INR)
1.	AGGPL 9393R	Nirali Yayaati Nada	1639539000001658899	09:30:45	25000	73.85	-	-	09:30:45 - 09:34:55	73.85	25000	1846250
			1639539000001677311	09:36:19	25000	73.85	-	-	09:36:19 - 09:38:38	73.85	25000	1846250
			1639539000001685965	09:46:41	25000	73.85	-	-	09:47:13 - 09:59:27	73.85	25000	1846250
			1639539000001788090	13:26:22	25000	73.85	-	-	13:26:22 - 14:04:22	73.85	25000	1846250
			1639539000001788099	13:26:43	25000	73.85	-	-	13:27:24 - 14:07:57	73.85	25000	1846250
			1639539000001788710	13:26:58	25000	73.85	-	-	13:29:32 - 14:08:08	73.85	25000	1846250
			1639539000001788718	13:27:12	25000	73.85	-	-	13:30:29 - 14:08:08	73.85	25000	1846250
				Total A	**175000**						**175000**	**12923750**
2.	AEIPJ97 58G	Mukti Lodha	1639539000001733662	10:46:15	58517	73.85	10:47:42	50000	10:47:46 - 12:50:00	73.85	50000	3692500
			1639539000001733687	10:48:15	62338	73.85	-	-	11:04:04 - 12:52:00	73.85	50000	3692500
			1639539000001733694	10:48:58	68196	73.85	-	-	11:06:16 - 12:53:23	73.85	50000	3692500
				Total B	**189051**						**150000**	**11077500**
3.	AGFPN 4412J	Yayaati Hasmukhray Nada	1639539000001699475	10:05:03	50000	73.85	10:05:33	40000	10:05:03 - 10:47:34	73.85	40000	2954000
			1639539000001780250	13:01:29	90000	73.85	-	-	13:01:29 - 13:23:11	73.85	90000	6646500
				Total C	**140000**						**130000**	**9600500**
4.	AXWPP 3633P	Jignesh Pravinbhai Pethani	1639539000001685955	09:46:09	9193	73.85	-	-	09:46:09 - 09:53:55	73.85	9193	678903
				Total D	**9193**						**9193**	**678903**
5.	AKLPP6 832C	Hardik J Patel	1639539000001685929	09:44:28	2000	73.85	-	-	09:44:28	73.85	2000	147700
				Total E	**2000**						**2000**	**147700**

Sr.No.	PAN No.	Net Seller/ Profit Maker/ Beneficiary	Order No.	Order Time	Order Qty.	Order Rate (in INR)	Modified Order Time	Modified Order Qty.	Trade Time/range	Trade Rate (in INR)	Traded Qty.	Traded Value (in INR)
			TOTAL (A+B+C+D+E)		515244						466193	34428353

19.2.5 From the above table, it can be seen that all the 14 sell orders were placed in an organized manner. For instance, sell orders of Mr. Mukti Lodha and Mr. Yayaati Hasmukhray Nada were placed subsequent to the completion of sell orders by Mr. Hardik J Patel and Mr. Jignesh Pravinbhai Pethani. Further, all the sell orders placed by Net Sellers/Profit Makers/ Beneficiaries were limit orders, at the price INR 73.85, which was exactly matching with the price recommended in telegram channel.

19.2.6 From the above table, it is also inferred that though the stock recommendation was posted on December 15, 2021 at 11.02 a.m., the demand for the scrip on that day was driven from the effect which was already created on the previous day that is on December 14, 2021. As seen in table 11 above, the Net Sellers/Profit Makers/ Beneficiaries had started off-loading their shareholding in UML from December 6, 2021 onwards, which shows that they had spread out their sell transactions on several days. Though the selling price varied across dates, it appeared to be a plan of overall strategy to not place orders together. This ensures that all their sell orders find a smooth passage through the system.

19.2.7 The connection among the *Noticees* has already been brought out in the preceding paragraphs and therefore being connected the Net Sellers/Profit Makers/ Beneficiaries were successful in following a peculiar trading pattern of placing their sell orders in such a way that there is no clogging of their sell orders in the system. The pattern followed by the Net Sellers/Profit Makers/ Beneficiaries in placing their sell orders on December 15, 2021 is clearly seen table 17. At any point of time not more than two Net Sellers/Profit Makers/ Beneficiaries or no two Net Sellers/Profit Makers/ Beneficiaries are seen placing their sell orders. In most of the instances, only after one Net Seller's/Profit Maker's/Beneficiary's sell order gets executed the other Net Seller/Profit Maker/Beneficiary is seen placing its sell order. This pattern of placing orders cannot be considered as a mere co-incidence but shows a strong meeting of minds for carrying out a pre-planned strategy to sell shares using increase in price/volume on account of stock recommendation.

19.2.8 <u>Mode of order placement by Net Sellers/Profit Makers/ Beneficiaries</u>**:**

As per the information received from brokers of Net Sellers/Profit Makers/ Beneficiaries, the mode of order placement and the persons who had placed the sell orders, are as follows:

<u>Table - 18</u>

Net Seller/ Profit Maker/Beneficiary	Mode of order placement	Order placed by
Yayaati Hasmukhray Nada	By calling Broker	Yayaati Hasmukhray Nada
Nirali Yayaati Nada	By calling Broker	Yayaati Hasmukhray Nada
Jignesh Pravinbhai Pethani	Through broker application	Jignesh Pravinbhai Pethani
Mukti Lodha	By email to broker	Mukti Lodha
Hardik J Patel	By calling Broker	Hardik J Patel

19.2.9 From the above, it is observed that Mr.Yayaati Hasmukhray Nada had placed orders for himself and also for Ms.Nirali Yayaati Nada. Further, from the call transcripts of Ms.Nirali Yayaati Nada (as provided by broker), it was observed that Mr.Yayaati Hasmukhray Nada had enquired about orders placed by Mr.Jignesh Pravinbhai Pethani. This indicates that Mr.Yayaati Hasmukhray Nada was aware of the orders placed/to be placed by Mr.Jignesh Pravinbhai Pethani and shows that these *Noticees* were connected and their dealing in the scrip of UML was under a scheme and not in a normal course of trading in the scrip of UML.

19.2.10 Trade details of Mr.Yayaati Hasmukhray Nada, Ms.Nirali Yayaati Nada, Mr.Mukti Lodha, Mr. Hardik J Patel and Mr.Jignesh Pravinbhai Pethani on December 15, 2021 is as under:

Table - 19

Net Seller/ Profit Maker/Beneficiary	Clnt PAN	Gr Buy Vol	Gr Sell Vol	Net Trd Vol	Gr Buy Value	Gr Sell Value	Vol% - Net Trd Vol/ Mkt Net
Yayaati Hasmukhray Nada	AGFPN4412J	0	130000	-130000	0.00	9600500.00	22.26
Nirali Yayaati Nada	AGGPL9393R	0	175000	-175000	0.00	12923750.00	29.97
Mukti Lodha	AEIPJ9758G	0	150000	-150000	0.00	11077500.00	25.69
Jignesh Pravinbhai Pethani	AXWPP3633P	0	9193	-9193	0.00	678903.05	1.57
Hardik J Patel	AKLPP6832C	0	2000	-2000	0.00	147700.00	0.34

19.2.11 On December 15, 2021, Mr.Yayaati Hasmukhray Nada, Ms.Nirali Yayaati Nada, Mr.Jignesh Pravinbhai Pethani, Mr. Hardik J Patel and Mr.Mukti Lodha have sold significant number of shares of UML and have collectively contributed substantial percentage i.e. 79.84% to the market net volume. In this regard, it is observed that Mr.Mukti Lodha sold the remaining 25,000 shares on next day i.e. December 16, 2021. It is also noted that though Mr. Mukti Lodha placed order for sale of his entire holding of 1,75,000 shares, the trade for sell was executed for only 1,50,000 shares and the remaining 25,000 shares were sold on December 16, 2021.

20. <u>The trade details of the Net Sellers/Profit Makers/ Beneficiaries during the remaining trading days in December 2021 is as follows</u>: -

Table No. 20A

Date(06/12/2021)							
Net Seller/ Profit Maker/Beneficiary	**PAN**	**Gr Buy Vol**	**Gr Sell Vol**	**Net Trd Vol**	**Gr Buy Value**	**Gr Sell Value**	**Vol% - Net Trd Vol/ Mkt Net**
Hardik Jitendrabhai Patel	AKLPP6832C	0	40000	-40000	0.00	2108000.00	18.94
Malay Shaileshbhai Patel	BLOPP9579F	0	40453	-40453	0.00	2131773.65	19.16
Jasavantbhai Patel	BJHPP4604A	0	25000	-25000	0.00	1317500.00	11.84
Nahush Ashvinbhai Shukla	DDDPS0405J	0	10000	-10000	0.00	527000.00	4.74
Prajesh Ashvinbhai Shukla	FPUPS7459F	0	10000	-10000	0.00	527000.00	4.74
Reetaben Ashvinkumar Shukla	BEEPS5008B	0	10000	-10000	0.00	527000.00	4.74
Total		**0**	**135453**	**-135453**	**0**	**7138273.65**	

Table No. 20B

Date(07/12/2021)							
Net Seller/ Profit Maker/Beneficiary	**PAN**	**Gr Buy Vol**	**Gr Sell Vol**	**Net Trd Vol**	**Gr Buy Value**	**Gr Sell Value**	**Vol% - Net Trd Vol/ Mkt Net**
Hardik Jitendrabhai Patel	AKLPP6832C	0	20000	-20000	0.00	1106000.00	9.09
Malay Shaileshbhai Patel	BLOPP9579F	1069	26843	-25774	55248.70	1484357.40	11.72
Jasavantbhai Patel	BJHPP4604A	0	5000	-5000	0.00	276500.00	2.27
Nahush Ashvinbhai Shukla	DDDPS0405J	0	5000	-5000	0.00	276500.00	2.27
Prajesh Ashvinbhai Shukla	FPUPS7459F	0	5000	-5000	0.00	276500.00	2.27
Reetaben Ashvinkumar Shukla	BEEPS5008B	0	5000	-5000	0.00	276500.00	2.27
Total		**1069**	**66843**	**-65774**	**55249**	**3696357**	

Table No. 20C

Date(08/12/2021)							
Net Seller/ Profit Maker/Beneficiary	**PAN**	**Gr Buy Vol**	**Gr Sell Vol**	**Net Trd Vol**	**Gr Buy Value**	**Gr Sell Value**	**Vol% - Net Trd Vol/ Mkt Net**
Hardik Jitendrabhai Patel	AKLPP6832C	0	14000	-14000	0.00	812700.00	5.38
Malay Shaileshbhai Patel	BLOPP9579F	0	50000	-50000	0.00	2902500.00	19.21
Jasavantbhai Patel	BJHPP4604A	0	60000	-60000	0.00	3483000.00	23.05
Nahush Ashvinbhai Shukla	DDDPS0405J	0	20000	-20000	0.00	1161000.00	7.68
Prajesh Ashvinbhai Shukla	FPUPS7459F	0	20000	-20000	0.00	1161000.00	7.68
Reetaben Ashvinkumar Shukla	BEEPS5008B	0	20000	-20000	0.00	1161000.00	7.68
Total		**0**	**184000**	**-184000**	**0**	**10681200**	

Table No. 20D

Date(09/12/2021)							
Net Seller/ Profit Maker/Beneficiary	**PAN**	**Gr Buy Vol**	**Gr Sell Vol**	**Net Trd Vol**	**Gr Buy Value**	**Gr Sell Value**	**Vol% - Net Trd Vol/ Mkt Net**
Jasavantbhai Patel	BJHPP4604A	0	88891	-88891	0.00	5417545.75	31.12
Nahush Ashvinbhai Shukla	DDDPS0405J	0	49000	-49000	0.00	2986350.00	17.15
Prajesh Ashvinbhai Shukla	FPUPS7459F	0	30000	-30000	0.00	1828500.00	10.50
Reetaben Ashvinkumar Shukla	BEEPS5008B	0	30000	-30000	0.00	1828500.00	10.50
Total		**0**	**197891**	**-197891**	**0**	**12060896**	

Table No. 20E

Date(10/12/2021)							
Net Seller/ Profit Maker/Beneficiary	**PAN**	**Gr Buy Vol**	**Gr Sell Vol**	**Net Trd Vol**	**Gr Buy Value**	**Gr Sell Value**	**Vol% - Net Trd Vol/ Mkt Net**
Jasavantbhai Patel	BJHPP4604A	0	153130	-153130	0.00	9785013.80	32.51
Prajesh Ashvinbhai Shukla	DDDPS0405J	0	65000	-65000	0.00	4156750.00	13.80
Prajesh Ashvinbhai Shukla	FPUPS7459F	0	30000	-30000	0.00	1918500.00	6.37
Reetaben Ashvinkumar Shukla	BEEPS5008B	0	30000	-30000	0.00	1918500.00	6.37
Total		**0**	**278130**	**-278130**	**0**	**17778764**	

Table No. 20F

Date(13/12/2021)							
Net Seller/ Profit Maker/Beneficiary	**PAN**	**Gr Buy Vol**	**Gr Sell Vol**	**Net Trd Vol**	**Gr Buy Value**	**Gr Sell Value**	**Vol% - Net Trd Vol/ Mkt Net**
Yayaati Hasmukhray Nada	AGFPN4412J	0	100632	-100632	0.00	6745382.80	26.48
Jasavantbhai Patel	BJHPP4604A	0	14779	-14779	0.00	990931.95	3.89
Nahush Ashvinbhai Shukla	DDDPS0405J	0	14505	-14505	0.00	972560.25	3.82
Prajesh Ashvinbhai Shukla	FPUPS7459F	0	54960	-54960	0.00	3685068.00	14.46
Reetaben Ashvinkumar Shukla	BEEPS5008B	0	15756	-15756	0.00	1056439.80	4.15
Nirali Yayaati Nada	AGGPL9393R	0	50000	-50000	0.00	3352500.00	13.16
Total		**0**	**250632**	**-250632**	**0**	**16802883**	

Table No. 20G

Date(14/12/2021)							
Net Seller/ Profit Maker/Beneficiary	**PAN**	**Gr Buy Vol**	**Gr Sell Vol**	**Net Trd Vol**	**Gr Buy Value**	**Gr Sell Value**	**Vol% - Net Trd Vol/ Mkt Net**
Nirali Yayaati Nada	AGGPL9393R	0	40000	-40000	0.00	2814000.00	12.99
Jignesh Pravinbhai Pethani	AXWPP3633P	0	175000	-175000	0.00	12311250.00	56.81
Total		**0**	**215000**	**-215000**	**0**	**15125250**	

Table No. 20H

Date(15/12/2021)							
Net Seller/ Profit Maker/Beneficiary	**PAN**	**Gr Buy Vol**	**Gr Sell Vol**	**Net Trd Vol**	**Gr Buy Value**	**Gr Sell Value**	**Vol% - Net Trd Vol/ Mkt Net**
Yayaati Hasmukhray Nada	AGFPN4412J	0	130000	-130000	0.00	9600500.00	23.36
Mukti Lodha	AEIPJ9758G	0	150000	-150000	0.00	11077500.00	26.96
Hardik Jitendrabhai Patel	AKLPP6832C	0	2000	-2000	0.00	147700.00	0.36
Nirali Yayaati Nada	AGGPL9393R	0	175000	-175000	0.00	12923750.00	31.45
Jignesh Pravinbhai Pethani	AXWPP3633P	0	9193	-9193	0.00	678903.05	1.65
Total		**0**	**466193**	**-466193**	**0**	**34428353**	

Table No. 20I

Date(16/12/2021)							
Net Seller/ Profit Maker/Beneficiary	**PAN**	**Gr Buy Vol**	**Gr Sell Vol**	**Net Trd Vol**	**Gr Buy Value**	**Gr Sell Value**	**Vol% - Net Trd Vol/ Mkt Net**
Yayaati Hasmukhray Nada	AGFPN4412J	0	115000	-115000	0.00	8912500.00	16.40
Mukti Lodha	AEIPJ9758G	0	25000	-25000	0.00	1937500.00	3.56
Hardik Jitendrabhai Patel	AKLPP6832C	0	2000	-2000	0.00	155000.00	0.29
Jasavantbhai Patel	BJHPP4604A	2016	0	2016	143136.00	0.00	0.29
Nirali Yayaati Nada	AGGPL9393R	0	162350	-162350	0.00	12582125.00	23.15
Total		**2016**	**304350**	**-302334**	**143136**	**23587125**	

Table No. 20J

Date(17/12/2021)							
Net Seller/ Profit Maker/Beneficiary	**PAN**	**Gr Buy Vol**	**Gr Sell Vol**	**Net Trd Vol**	**Gr Buy Value**	**Gr Sell Value**	**Vol% - Net Trd Vol/ Mkt Net**
Yayaati Hasmukhray Nada	AGFPN4412J	0	144957	-144957	0.00	11770961.35	26.15
Hardik Jitendrabhai Patel	AKLPP6832C	0	2000	-2000	0.00	161980.25	0.36
Nahush Ashvinbhai Shukla	DDDPS0405J	0	6800	-6800	0.00	552840.00	1.23
Total		**0**	**153757**	**-153757**	**0**	**12485782**	

Table No. 20K

Date(28/12/2021)							
Net Seller/ Profit Maker/Beneficiary	**PAN**	**Gr Buy Vol**	**Gr Sell Vol**	**Net Trd Vol**	**Gr Buy Value**	**Gr Sell Value**	**Vol% - Net Trd Vol/ Mkt Net**
Yayaati Hasmukhray Nada	AGFPN4412J	0	150000	-150000	0.00	9405000.00	26.29

Table No. 20L

Date(29/12/2021)							
Net Seller/ Profit Maker/Beneficiary	**PAN**	**Gr Buy Vol**	**Gr Sell Vol**	**Net Trd Vol**	**Gr Buy Value**	**Gr Sell Value**	**Vol% - Net Trd Vol/ Mkt Net**
Yayaati Hasmukhray Nada	AGFPN4412J	0	34881	-34881	0.00	2105265.00	11.59

21. <u>Trade details of the Net Sellers/Profit Makers/ Beneficiaries in the scrip of UML in the month of December – 2021, are as follows:</u>

Table – 21

Sr. No.	PAN	Net Seller/ Profit Maker/Beneficiary	Gr Buy Vol	Gr Sell Vol	Net Trd Vol	Gr Buy Value	Gr Sell Value	Entities net Trd Vol / Mkt. Vol. (%)
1	AGFPN4412J	Yayaati Hasmukhray Nada	0	675470	-675470	0	48539609.15	12.27
2	AGGPL9393R	Nirali Yayaati Nada	0	427350	-427350	0	31672375.00	7.76
3	BJHPP4604A	Jasavantbhai Patel	2016	346800	-344784	143136.00	21270491.50	6.26
4	AXWPP3633P	Jignesh Pravinbhai Pethani	0	184193	-184193	0	12990153.05	3.35
5	AEIPJ9758G	Mukti Lodha	0	175000	-175000	0	13015000.00	3.18
6	DDDPS0405J	Nahush Ashvinbhai Shukla	0	170305	-170305	0	10633000.25	3.09
7	FPUPS7459F	Prajesh Ashvinbhai Shukla	0	149960	-149960	0	9396568.00	2.72
8	BLOPP9579F	Malay Shaileshbhai Patel	3591	119812	-116221	181625.50	6644934.25	2.11
9	BEEPS5008B	Reetaben Ashvinkumar Shukla	0	110756	-110756	0	6767939.80	2.01
10	AKLPP6832C	Hardik Jitendrabhai Patel	0	80000	-80000	0	4491380.25	1.45
		Total	**5,607**	**24,39,646**	**-24,34,039**	**324761.50**	**165421451.30**	**44.22**

21.1 From the above table, it is observed that the Net Sellers/Profit Makers/ Beneficiaries were categorized as public shareholders of UML. On net basis, they sold 24,34,039 shares and contributed 44.22% to the market net volume.

22. The trade details of December 14 and 15, 2021, have been analysed in the preceding paragraphs on sample basis to demonstrate how stock recommendations created momentum in the price/volume and how Net Sellers/Profit Makers/ Beneficiaries were using that opportunity to make profits. Details of trades executed on other trading days of December 2021 are provided separately in the Annexure.

23. **Facts determined based on trading pattern adopted by the Net Sellers/Profit Makers/ Beneficiaries:**

23.1 On analysis of the sample days when the recommendations were posted vis-à-vis the trades of the Net Sellers/Profit Makers/ Beneficiaries, it is seen that the chronology of order placement by Net Sellers/Profit Makers/ Beneficiaries, was carried out in such a way that they did not clog the order book as there may not be enough liquidity in the scrip and there may be a chance of non-execution of orders which are large in quantity. The Net Sellers/Profit Makers/ Beneficiaries have under a thoughtful plan placed their sell orders only upon execution of the orders of other Net Sellers/Profit Makers/ Beneficiaries. Net Sellers/Profit Makers/ Beneficiaries have sold their shares in a planned manner on different days of recommendation and thus ensured that their sell orders find a smooth passage through the system. There are evidences of Net Sellers/Profit Makers/ Beneficiaries enquiring about the orders placed by other Net Sellers/Profit Makers/ Beneficiaries.

23.2 The Net Sellers/Profit Makers/ Beneficiaries sold 24,34,039 shares and contributed 44.22% to the market net volume during the month of December 2021.

24. Further, it is noted that, there was a significant spurt in the price/volume throughout the trading days in the month of December 2021. The immediately subsequent table shows how the stock recommendations succeeded in creating a continuous demand in the shares of UML, resulting in maintaining the price/volume of UML throughout various trading days in December 2021. The details of price/volume movement and the number of shares sold by Net Sellers/Profit Makers/ Beneficiaries, on the days of stock recommendations, are as follows:

Table - 22

S. No.	Date	Prev. Close	Open Price	High Price	Low Price	Close Price	% change (C to C)	No. of Shares Traded (Mkt vol.) (1)	No. of shares sold (net) by Net sellers/ profit makers/ beneficiaries (2)	% shares offloaded by net sellers/ profit makers/ beneficiaries (*out of their total holding as on Dec 03, 2021)	% of no. of shares sold by Net Sellers/Profit Makers/ Beneficiaries to Mkt vol. (3 = 2 / 1)
1.	06-12-21	**50.20**	**52.70**	52.70	52.00	52.70	4.98	2,11,160	1,35,453	4.97%	64.15
2.	08-12-21	**55.30**	**57.95**	58.05	56.45	58.05	4.97	2,66,585	1,84,000	6.76%	69.02
3.	09-12-21	**58.05**	**59.70**	60.95	55.15	60.95	5.00	2,96,570	1,97,891	7.27%	66.73
4.	10-12-21	**60.95**	**63.95**	63.95	63.00	63.90	4.84	4,84,803	2,78,130	10.21%	57.37
5.	13-12-21	**63.90**	**66.40**	67.05	64.00	67.00	4.85	3,97,797	2,50,632	9.20%	63.01
6.	14-12-21	**67.00**	**70.35**	70.35	68.25	70.35	5.00	3,26,334	2,15,000	7.89%	65.88
7.	15-12-21	**70.35**	**73.85**	73.85	71.8	73.85	4.98	5,83,900	4,66,193	17.12%	79.84
8.	16-12-21	**73.85**	**77.50**	77.50	70.20	77.50	4.94	8,18,519	3,02,334	11.10%	36.94
9.	17-12-21	**77.50**	**81.35**	81.35	73.65	81.15	4.71	6,01,009	1,53,757	5.65%	25.58
10.	20-12-21	81.15	81.90	84.00	77.10	77.10	(4.99)	1,24,834	-	-	-
11.	22-12-21	**73.25**	**69.60**	69.60	69.60	69.60	(4.98)	59,970	-	-	-
12.	23-12-21	**69.60**	**66.15**	66.15	66.15	66.15	(4.96)	30,737	-	-	-
							Total	**42,02,218**	**21,83,390**	**80.17%**	**51.95**

***Collectively all the Net Sellers/Profit Makers/ Beneficiaries were holding 27,23,439 shares as on December 03, 2021**

24.1 From the above analysis of facts stated at table 22, it is observed that the Net Sellers/Profit Makers/ Beneficiaries were the major contributor to the market volume on days in which the stock recommendations in the scrip of UML were posted on Telegram Channels. The percentage of shares sold by Net Sellers/Profit Makers/ Beneficiaries to the market volume ranges from 25.58% to 79.84%.

24.2 During the aforementioned 12 trading days of stock recommendations, the Net Sellers/Profit Makers/ Beneficiaries off-loaded 80.17% approx. of their total holding on December 03, 2021 i.e. 27,23,439 shares.

24.3 A similar concentration of Net Sellers/Profit Makers/ Beneficiaries was observed on December 07, 28 and 29, though no recommendations were given on telegram channels on these dates. The selling of shares by Net Sellers/Profit Makers/ Beneficiaries on these three dates of no stock recommendations was facilitated by the momentum created by stock recommendations on earlier days. The percentage of shares sold by Net Sellers/Profit Makers/ Beneficiaries is 11.13% to 29.34% of the market volume, which is also 9% approx. of their total holding as on December 03, 2021 i.e. 27,23,439 shares. The details of shares sold by above mentioned Noticees on December 07, 28 and 29 are as follows:

Table - 23

S. No.	Date	Prev. Close	Open Price	High Price	Low Price	Close Price	% change (C to C)	No. of Shares Traded (Mkt vol.) (1)	No. of shares sold (net) by Net sellers/ profit makers/ beneficiaries (2)	% shares offloaded by net sellers / profit makers/ beneficiaries (*out of their total holding as on Dec 03, 2021)	% of no. of shares sold by net sellers/ profit makers/ beneficiaries to Mkt vol. (3 = 2 / 1)
1	07-12-21	52.70	52.70	55.30	50.10	55.30	4.93	2,24,201	65,774	2%	29.34
2	28-12-21	**59.75**	**56.80**	62.70	56.80	62.70	4.94	5,95,415	1,50,000	6%	25.19
3.	29-12-21	62.70	62.70	65.80	59.60	59.60	(4.94)	3,13,264	34,881	1%	11.13
Total								**11,32,880**	**2,50,655**	**9%**	**22.13**
***Collectively all the Net sellers were holding 27,23,439 shares as on December 03, 2021**											

24.4 It has been observed that the price of UML increased and almost touched the upper price band (5%) on each of the day on December 06, 07, 08, 09, 10, 13, 14, 15, 16, 17 & 28, 2021, on close to close basis. The price of UML was observed to have decreased and almost touched the lower price band (5%) on each of the day on December 20, 22, 23 & 29, on close to close basis. Further, it was observed that on majority of days, the price was increased in pre-open session itself. The total volume on aforesaid 15 days was 53,35,098 shares, which is almost 96.93% of total market volume (55,03,944 shares) in the month of December – 2021. Overall, during the aforementioned 15 trading days, the Net Sellers/Profit Makers/ Beneficiaries off-loaded 89% approx. of their total holding as on December 03, 2021 i.e. 27,23,439 shares.

24.5 It is also relevant to note that there were no relevant price-sensitive corporate announcements pertaining to UML or its securities on the dates of recommendation in the month of December 2021 which could have been said to be the cause to have impacted the spurt in price or volume of UML. Therefore, in the absence of any other reason that can be attributed to the spurt in the price/ volume of the scrip of UML, it is *prima facie* sufficient to infer that spurt in price/ volume in the scrip of UML was primarily on account of planned news in the form of stock recommendations posted on telegram channels on continuous basis during the month of December 2021. Further, the significant sell by the Net Sellers/Profit Makers/ Beneficiaries in a planned manner during the relevant period when recommendations were made on the channels further *prima facie* substantiate that they were aware that the stock recommendations being posted on telegram channels would lead to a favorable movement in the price/traded volume of UML. Once, price/ volume had moved upward after the posting of recommendations on the channels, Net Sellers/Profit Makers/ Beneficiaries placed their sell orders which subsequently got executed into trades due to the recommendation on telegram channels.

24.6 **<u>Facts determined based on the impact on the market volume due to the trades carried out by Net Sellers/Profit Makers/ Beneficiaries</u>**

24.6.1 The stock recommendations in the scrip of UML were posted on multiple telegram channels on several days during December 2021 and Net Sellers/Profit Makers/ Beneficiaries by executing sell trades have contributed 44.22% to net market trade volume.

24.6.2 The Net Sellers/Profit Makers/ Beneficiaries were the major contributors to the market volume on days in which the stock recommendations in the scrip of UML were posted on Telegram Channels. On the 12 trading days when the stock recommendation was posted, the Net Sellers/Profit Makers/ Beneficiaries off-loaded 80.17% approx. of their total holding as on December 03, 2021 i.e. 27,23,439.

H. <u>Determination of Facts :</u>

25. Based on the factual details elaborated above, evidences collected during the investigation the following factual determination are made, *prima facie* in this case:

25.1 Telegram channels/Users, ‘Sure Means Sure’, “Bala Ji Mehndipur” “Intraday Share Trading Stock” and “Intraday Trading Equity Stock” were operated/handled by Mr.Arvind Shukla, during the month of December, 2021.

25.2 The stock recommendations in the scrip of UML were posted on telegram channels on 06, 08, 09, 10, 13, 14, 15, 16, 17, 20, 22 & 23 of December 2021.

25.3 Net Sellers/Profit Makers/Beneficiaries, are directly or indirectly connected to one another through various means such as common directorships in companies; common address and fund transfers.

25.4 The information on Benpos data received by UML is forwarded by Mr.Sharad Ramkrishana Gattani, (Enabler) to Mr.Shailesh S Patel, (Operator) and subsequently from Mr.Shailesh S Patel to Mr.Jalaj

Agrawal(Operator). This pattern shows the transfer of crucial, important and sensitive information from UML through Mr.Sharad Ramkrishana Gattani to Mr.Shailesh S Patel and finally to Mr.Jalaj Agrawal.

25.5 The CDR data shows that all Net Sellers/Profit Makers/ Beneficiaries are directly connected among themselves and/or indirectly to the director/promoter (Enablers) of UML. Various instances were gathered whereby numerous calls were done by the Net Sellers/Profit Makers/ Beneficiaries among themselves on their trade dates.

25.6 As seen from CDR data, Net Sellers/Profit Makers/ Beneficiaries (namely Mr.Yayaati Hasmukhray Nada and Ms.Nirali Yayaati Nada); Enabler (Mr.Tirth Uttamchand Mehta) and Operator (Mr.Shailesh S Patel) are connected through another Enabler (Mr.Sharad Ramkrishana Gattani).

25.7 Mr.Shailesh S Patel (Operator) was operating the trading account of his son Mr.Malay Shaileshbhai Patel(Net Seller/Profit Maker/ Beneficiary) and was using the mobile number registered in the name of Mr.Malay Shaileshbhai Patel for placing orders in the securities market. Mr.Shailesh S Patel used to make calls to Mr.Jalaj Agrawal (another Operator) from the mobile registered in the name of Mr.Malay Shaileshbhai Patel (Net Seller/Profit Maker/Beneficiary).

25.8 There was a regular flow of chats amongst Operators, i.e. from Mr.Shailesh S Patel to Mr.Jalaj Agrawal and from Mr.Jalaj Agrawal to Mr.Arvind Shukla, during the investigation period of December 2021.

25.9 From the Whatsapp chats extracted from the seized telephone device of Mr.Jalaj Agrawal, it is noted that (i) there is a frequent exchange of chats between Mr.Shailesh S Patel and Mr.Jalaj Agrawal. (ii) location address at Karnavati Club at Ahmedabad is being shared between Mr.Shailesh S Patel and Mr.Jalaj Agrawal. (iii) chats are seen giving details of currency note of INR 10 (iv) The stock recommendations posted on telegram channels are seen to be shared between Mr.Shailesh S Patel and Mr.Jalaj Agrawal even before such postings.

25.10 The geographical tower location of Mr.Jalaj Agrawal and Mr.Shailesh S Patel was observed at Karnavati Club in Ahmedabad on three occasions i.e. on November 29, 2021 (few days before the first stock recommendation was posted on telegram channel), December 16, 2021 (during investigation period) and January 12, 2022 (post investigation period).

25.11 The statements given under oath by Mr.Shailesh S Patel and Mr.Jalaj Agrawal confirm about: (i) their meeting at Karnavati Club, Ahmedabad (ii) collaboration between Mr.Jalaj Agrawal, Mr.Arvind Shukla and Mr.Shailesh S Patel in executing the scheme by passing information and subsequent posting of recommendations on telegram channels (iii) the total commission payable to Mr.Jalaj Agrawal out of which certain amount is paid in cash and (iv) Mr.Shailesh S Patel admitted about knowing certain Net Sellers/Profit Makers/ Beneficiaries of UML.

25.12 Mr.Shailesh S Patel engaged Mr.Jalaj Agrawal, to make stock recommendations in the scrip of UML, who in turn engaged Mr.Arvind Shukla, the administrator of telegram channels, for posting stock recommendations in the scrip of UML on these telegram channels.

25.13 Mr. Arvind Shukla posted the stock recommendations on telegram channels on the instructions given by Mr.Jalaj Agrawal. Mr.Arvind Shukla shared promotional video in the scrip of UML with Mr.Jalaj Agrawal. Mr.Jalaj Agrawal on daily basis shared the number of shares sold in the scrip UML along with price and commission amount on the recommendation days with Mr.Arvind Shukla . Mr.Jalaj Agrawal shared the calculation of commission based on the number of shares sold on a particular day when the Net Sellers/Profit Makers/ Beneficiaries offloaded their shares. Mr.Arvind Shukla was engaged by Mr.Jalaj Agrawal to carry out stock recommendations and for promoting the scrip of UML. Mr.Arvind Shukla has also stated to have received money in the range of INR 10,000 to INR 20,000 per day from Mr.Jalaj Agrawal for carrying out this promotional activity. In the seized phone of Mr.Jalaj

Agrawal, chats were seen with an unsaved mobile number whereby details related to the stock recommendation of UML were found. Mr.Arvind Shukla in his statement had acknowledged that the unsaved mobile number seen on the Mr. Jalaj Agrawal's mobile was used by him. This submission of Arvind was substantiated from the tower locations of both the mobile numbers. Arvind in his statement under oath has deposed that Jalaj had contacted him for posting stock recommendations in the scrip of UML and in return he was paid consideration for posting recommendation pertaining to UML in telegram channels. Arvind stated to have received approx. INR 25 lacs for posting recommendations of UML.

Price/Volume Impact:

25.14 The chronology of order placement shows that the Net Sellers/Profit Makers/ Beneficiaries placed orders in such a way that they did not want to clog the order book at the same time as there may not be enough liquidity in the scrip and there may be a chance of non-execution of orders which are large in quantity. The Net Sellers/Profit Makers/ Beneficiaries have under a thoughtful plan placed sell orders and in the process in order to ensure successful execution of the scheme, the orders were placed by the Net Sellers/Profit Makers/Beneficiaries in a sequential manner and not simultaneously. This pattern of placing orders at the price similar to what was posted in telegram channels, type of order (limit order) and sequence of order placement, reveals that the Net Sellers/Profit Makers/ Beneficiaries acted with a common mind set to offload the shares of UML, using spurt in price/volume created by stock recommendation posted on Telegram channels. Net Sellers/Profit Makers/ Beneficiaries have sold their shares in a planned manner on different days of recommendation and thus ensured that their sell orders find a smooth passage through the system. There are also instances of Net Sellers/Profit Makers/ Beneficiaries enquiring about the orders placed by other Net Sellers/Profit Makers/ Beneficiaries, so that they could time their orders.

25.15 The stock recommendations in the scrip of UML were posted on multiple telegram channels on several days during December 2021 and Net Sellers/Profit Makers/ Beneficiaries have contributed 44.22% to net market trade volume.

25.16 The Net Sellers/Profit Makers/ Beneficiaries were the major contributors to the market volume on days in which the stock recommendations in the scrip of UML were posted on Telegram Channels. On the 12 trading days when the stock recommendation was posted, the Net Sellers/Profit Makers/ Beneficiaries off-loaded 80.17% approx. of their total holding as on December 03, 2021 i.e. 27,23,439 shares. If we include the three trading days of no stock recommendations, this percentage increases to 89%. Offloading of shares during these three trading days was also facilitated by price/volume spurt created due to stock recommendations on the earlier trading days.

26. From these facts it can be prima facie inferred that, Net Sellers/Profit Makers/ Beneficiaries and Operators with the help of Enablers devised a scheme for defrauding the norms of securities market by engaging in a deceitful act to induce lakhs of gullible subscribers of Telegram Channels and in this process induced other general investors as well, to deal in securities purely based upon misleading, unsolicited and pre-planned stock tips about specific scrip i.e. UML, recommended through Telegram Channels. This facilitated the Net Sellers/Profit Makers/ Beneficiaries to off-load their stake successfully in the scrip of UML, a Company that had no fundamental and no recent corporate announcement that could be said to be the cause of sudden and unusual rise in price and volume.

I. Role of each entity involved in the fraudulent scheme

27. Net Sellers/Profit Makers/ Beneficiaries:

    Net Sellers/Profit Makers/ Beneficiaries, were directly or indirectly connected among themselves and to UML through its director/promoter and under the scheme have offloaded majority of their stake in UML in December 2021, on the days of stock recommendations posted on Telegram Channels.

28. Operators:

    28.1 Mr.Shailesh S Patel placed trades in the scrip of UML, in his son, Mr.Malay Shaileshbhai Patel's trading account. Further, in order to facilitate the off-loading of shares by Net Sellers/ Profit Makers/ Beneficiaries, Mr.Shailesh S Patel had:-(i) approached Mr.Jalaj Agrawal for posting stock recommendations in the scrip of UML on telegram channels and for the said purpose paid commission to Mr.Jalaj Agrawal and (ii) supplied the crucial information viz. Benpos / shareholding data to operator Mr.Jalaj Agrawal on regular basis. Mr.Shailesh S Patel who received/obtained this data from Mr.Sharad Ramkrishana Gattani, who is father-in-law of Mr.Tirth Uttamchand Mehta (Director of UML), who in turn has received this data from UML. It is pertinent to record that though Mr.Sharad Ramkrishana Gattani was not associated with the *Company*, the Benpos data obtained from RTA was seen to be consistently reaching Mr.Sharad Ramkrishana Gattani who in turn forwarded to Mr.Shailesh S Patel, the Operator.

    28.2 Mr.Jalaj Agrawal_was approached by Mr.Shailesh S Patel, to post stock recommendations in the scrip of UML. For the said activity, Mr.Jalaj Agrawal had contacted Mr.Arvind Shukla, the administrator of Telegram Channels. Mr.Jalaj Agrawal had received consideration for the said work from Mr.Shailesh S Patel.

    28.3 Mr.Arvind Shukla was contacted by Mr.Jalaj Agrawal for posting the stock recommendation in the scrip of UML, to buy the shares of UML on Telegram Channels. For floating messages on Telegram Channels, Mr.Arvind Shukla had received consideration from Mr.Jalaj Agrawal as stated in the preceding paras.

29. Enablers

Mr.Uttamchand Chandanmal Mehta, Mr.Tirth Uttamchand Mehta (directors cum promoters of UML), Ms.Manishaben Bipinchandra Panchal (Director of UML) and Mr.Sharad Ramkrishana Gattani through their direct and indirect proximity with UML bridged the gap between Net Sellers/Profit Makers/ Beneficiaries and Operators and supplied the crucial information (i.e. Benpos / Shareholding data) to the Operator Mr.Shailesh S Patel, who in turn supplied this information to Mr.Jalaj Agrawal and helped in successfully executing the defrauded scheme.

J. Calculation of Profit made by Net Sellers/Profit Makers/ Beneficiaries

30. As stated in preceding paragraph(s), Net Sellers/Profit Makers/ Beneficiaries have majorly dealt during the period December 06 to December 31, 2021, which is the period during which stock recommendations were posted for buying the scrip of UML. It is observed that Net Sellers/Profit Makers/ Beneficiaries have sold 24,37,130 shares (net basis), during the relevant period, which was 44.27% of total net market volume in the month of December 2021.

31. The investigation observed that Net Sellers/Profit Makers/ Beneficiaries through their off-loading of shares of UML at artificially hiked price and thereby appeared to have gained unlawfully through fraudulent and unfair means. In this respect, it is observed that substantial profit was generated by these Net Sellers/Profit Makers/ Beneficiaries through their unlawful means adopted while dealing in the scrip of UML under a scheme/device. Investigation has further observed that Net Sellers/Profit Makers/ Beneficiaries have *prima facie* gained profit by engaging in fraudulent and unfair method. For the purpose of calculation of profit, weighted average price as on December 03, 2021 i.e. INR 50.17 (Source: BSE Website), a day prior to stock recommendations in the scrip of UML, was considered as cost of acquisition of shares sold by the Net Sellers/Profit Makers/ Beneficiaries in the month of December 2021. The following factors

were considered while computing the gain made through unlawful ways by these Net Sellers/Profit Makers/ Beneficiaries, while dealing in the scrip of UML during the investigation period:

31.1 Majority Net Sellers/Profit Makers/ Beneficiaries were holding shares of UML at least 2 years prior to the investigation period. Further, some of the Net Sellers/Profit Makers/ Beneficiaries were holding the shares of UML for a period of more than 7 years.

31.2 The market risk factor for holding the shares of UML for longer period.

31.3 There was no significant trading by majority of Net Sellers/Profit Makers/ Beneficiaries prior to investigation period.

31.4 Substantial portion of their trading was concentrated during the month of December 2021.

31.5 As observed from the price volume chart, during the investigation period the scrip price touched a high of INR 84 on December 20, 2021 from a close price of INR 50.20 on December 03, 2021, due to the posting stock recommendations in the scrip of UML.

32. Considering above, the weighted average price for the trading day - December 03, 2021 was considered for calculating the profit of shares sold by the Net Sellers/ Profit Makers/Beneficiaries on the days of recommendations, which is as follows:

Table - 24

PAN No.	Net Seller/ Profit Maker/ Beneficiary	Closing balance as on Dec 03, 2021	WAP* as on Dec 03, 2021 (2)	Trading during Dec 06- Dec 31, 2021				Weighted Avg. Cost of Acquisition of Sell Qty. (INR)	Profit made (INR)	Closing balance as on Dec 31, 2021
		Quantity (1)		Buy. Qty. (3)	Total Buy Value (INR) (4)	Sell. Qty. (5)	Total Sell Value (INR) (6)	(7=(5-3)*2)	(8 = 6-7-4)	Quantity (9 = 1+4-6)
AGFPN4412J	Yayaati Hasmukhray Nada (Noticee no.1)	9,48,459	50.17	-	-	6,75,470	4,85,39,609.15	3,38,88,329.90	1,46,51,279.25	2,72,989
AGGPL9393R	Nirali Yayaati Nada (Noticee no.2)	4,27,350	50.17	-	-	4,27,350	3,16,72,375.00	2,14,40,149.50	1,02,32,225.50	-
BJHPP4604A	Jasavantbhai Patel (Noticee no.3)	3,48,300	50.17	2,016	1,43,136.00	3,46,800	2,12,70,491.50	1,72,97,813.28	38,29,542.22	3,516
AXWPP3633P	Jignesh Pravinbhai Pethani (Noticee no.4)	1,84,193	50.17	-	-	1,84,193	1,29,90,153.05	92,40,962.81	37,49,190.24	-
AEIPJ9758G	Mukti Lodha (Noticee no.5)	1,75,000	50.17	-	-	1,75,000	1,30,15,000.00	87,79,750.00	42,35,250.00	-
DDDPS0405J	Nahush Ashvinbhai Shukla (Noticee no.6)	1,81,700	50.17	-	-	1,70,305	1,06,33,000.25	85,44,201.85	20,88,798.40	11,395
FPUPS7459F	Prajesh Ashvinbhai Shukla (Noticee no.7)	1,49,960	50.17	-	-	1,49,960	93,96,568.00	75,23,493.20	18,73,074.80	-
BLOPP9579F	Malay Shaileshbhai Patel (Noticee no.8)	1,16,227	50.17	1,069	55,248.70	1,17,296	65,18,631.05	58,31,108.59	6,32,273.76	-
BEEPS5008B	Reetaben Ashvinkumar Shukla (Noticee no.9)	1,12,256	50.17	0	-	1,10,756	67,67,939.80	55,56,628.52	12,11,311.28	1,500
AKLPP6832C	Hardik Jitendrabhai Patel (Noticee no.10)	80,000	50.17	0	-	80,000	44,91,380.25	40,13,600.00	4,77,780.25	-
	Total	**27,23,439**		**3085**	**1,98,384.70**	**24,37,130**	**16,52,95,148.05**	**12,21,16,037.65**	**4,29,80,725.70**	**2,89,400**

***Net Sellers/Profit Makers/ Beneficiaries started offloading the shares from Dec 06, 2021 (i.e. the day on which recommendation started posting on telegram channels). Therefore, the WAP as of the previous trading day i.e. Dec 03,2021, has been considered as the acquisition price for the purpose of calculating the profit.**

33. In view of the above, it is held, *prima facie*, that an amount of INR 4,29,80,725.70 calculated as per table 24 is a profit which has been earned by Net Sellers/Profit Makers/ Beneficiaries. This profit is earned by them from trades executed on the basis of advance receipt of information on the pre-decided stock recommendation to be posted on telegram channels operated by the Operators. Enablers and Operators have helped Net Sellers/Profit Makers/ Beneficiaries in executing these transactions, as a consequence, a part of the profit has also been shared with the Operators through non banking channel.

K. <u>Examination of violations of provisions of SEBI Act and Regulations made thereunder</u>:

34. The *prima facie* findings of facts on the connections between Net Sellers/Profit Makers/ Beneficiaries, Operators and Enablers, the scheme devised by them through posting recommendations on telegram channels creating thereby a demand for the scrip and subsequently off-loading their shares and profits booked through their trades have already been dealt with in the preceding paragraphs. I now proceed to examine whether the scheme employed by the *Noticees* as described above, is in violation of the provision of the SEBI Act and Regulations made thereunder. If there is a violation, then it needs to be examined as to who all are liable for the disgorgement of wrongful gains generated from the trades executed through the devised scheme. At this stage, before moving further, it is also important to look at the legal provisions under which appropriate directions can be issued in this order.

35. The relevant provisions of the SEBI Act, the SEBI (PFUTP) Regulations are reproduced below:

<u>SEBI Act:</u>

Section 12A. No person shall directly or indirectly—

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognized stock exchange;

(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognized stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(d) ……..

(e) deal in securities while in possession of material or non-public information or communicate such material or non-public information to any other person, in a manner which is in contravention of the provisions of this Act or the rules or the regulations made thereunder;.

SEBI(PFUTP) Regulations:

Regulation 3. Prohibition of certain dealings in securities

"No person shall directly or indirectly

(a) buy, sell or otherwise deal in securities in a fraudulent manner;

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;

(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;

(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.

Regulation 4. Prohibition of manipulative, fraudulent and unfair trade practices

(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a manipulative, fraudulent or an unfair trade practice in securities markets.

(2) Dealing in securities shall be deemed to be a manipulative, fraudulent or an unfair trade practice if it involves any of the following, namely: —

"……

(a) knowingly indulging in an act which creates false or misleading appearance of trading in the securities market;

(d) inducing any person for dealing in any securities for artificially inflating, depressing, maintaining or causing fluctuation in the price of securities through any means including by paying, offering or agreeing to pay or offer any money or money's worth, directly or indirectly, to any person;

(e) any act or omission amounting to manipulation of the price of a security including, influencing or manipulating the reference price or bench mark price of any securities

(k) disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading in a reckless or careless manner and which is designed to, or likely to influence the decision of investors dealing in securities;

(r) knowingly planting false or misleading news which may induce sale or purchase of securities.

…………"

36. It is required to be examined whether there has been *prime facie* violation of- section 12A of SEBI Act and regulation 3 and 4 of the SEBI(PFUTP) Regulations.

37. If there is a violation of sections/regulations listed in the preceding paragraphs, it will then be required to be examined whether there are sufficient grounds for issuance of directions under sub-section (1) of section 11, sub-section (4) of section 11, sub-section 4A of section 11, sub-section (1) of section 11B and sub-section (2) of section 11B of the SEBI Act.

Violation of Section 12A of SEBI Act and regulation 3 and 4 of SEBI(PFUTP) Regulations:

38. These provisions have been reproduced in the earlier paragraph. In brief, these provisions prohibit-

    (i) use of or employment of any manipulative or deceptive device or contrivance, in contravention of the provisions of the SEBI Act or rules or regulations;

    (ii) employment of any device scheme or artifice to defraud;

    (iii) engagement in any act, practice, course of business which operate/would operate as fraud or deceit upon any person in contravention of the provisions of the SEBI Act or rules or regulations;

(iv) dealing in securities while in possession of material or non-public information or communicate such material or non-public information to any other person in contravention of the provisions of the SEBI Act or rules or regulations; or

(v) dealing in securities which is manipulative, fraudulent or an unfair trade practice.

39. It may be noted that violation of any one of the above violations listed in the immediately preceding paragraph would result in the violation under the SEBI Act and SEBI(PFUTP) Regulations, though there can always be more than one violation.

40. I have already examined and established *prima facie* with evidence as to how the *Noticees* devised a scheme whereby recommendations to buy the shares of UML were posted on telegram channels who were having viewership upto 15 lakh subscribers. Based on the recommendations, the demand for purchase of the scrip was created. When the required demand for purchase was available, the Net Sellers/Profit Makers/ Beneficiaries placed their sell orders and succeeded in execution of their trades and earned profits which in the instant matter is quantified to be INR 4.29 crores. This profit is *prima facie* unlawful since the Net Sellers/ Profit Makers/ Beneficiaries not only had advanced information about the impending stock recommendation on telegram channels but were also aware that these were posted with the objective to create possibilities for them to exit from the holdings of UML. The acts on the part of *Noticees*, particularly the Net Sellers/Profit Makers/ Beneficiaries are also unlawful and fraudulent for the reason that though the information posted on telegram channels were to encourage demand to buy the scrip, the Net Sellers/Profit Makers/ Beneficiaries have taken positions contrary to the recommendations as a part of the scheme in operation. They have used this advance information to make profit by trading on its basis knowing well that the investors would act on the stock recommendations resulting in the price/volume to move in the expected direction enabling the Net Sellers/Profit Makers/ Beneficiaries to make profit by selling their holding at higher inflated price. The

data also shows how the volumes in the scrip showed a substantial jump and due to the high demand for purchase of the shares of UML, the Net Sellers/Profit Makers/ Beneficiaries were successful in offloading their shares and booking profit. Apart from the profits made by Net Sellers/Profit Makers/ Beneficiaries, there is substantive evidence in the form of own submission of the Operators who have admitted to have received their part of profit in the form of commission for placing/posting recommendations. These acts are detrimental to the interest and integrity of the securities market and also averse to the interest of the investors of the securities market. Thus, *Noticees* had not only dealt with the shares in UML based on information already available with them but also the above dealing in securities of UML by them was under a scheme devised to defraud the integrity of securities market as well as to adversely impact the investors dealing with securities. All this put together clearly establishes that there is a *prime facie* violation of provisions of section 12A of SEBI Act and regulation 3 and 4 of SEBI(PFUTP) Regulations.

41. It will be relevant here to refer to the Palmer's Company Law, 25th Edition (2010), Volume 2 at page 11097 wherein the following has been stated: "Market manipulation is normally regarded as the "unwarranted" interference in the operation of ordinary market forces of supply and demand and thus undermines the "integrity" and efficiency of the market." The facts of this case clearly shows that *Noticees* have devised a scheme to interfere in the ordinary operation of market forces of supply and demand to make unlawful gains for themselves. Thus, this would *prima facie* qualify as manipulation and the scheme that they devised would qualify as manipulative scheme.

42. In this regard, reliance is placed on the observations of Hon'ble SC in the matter of *SEBI and Ors. vs. Shri Kanaiyalal Baldevbhai Patel and Ors. (2017 SCC Online SC 1148),* wherein the Hon'ble Court held as follows:

> *"31. Although unfair trade practice has not been defined under the regulation, various other legislations in India have defined the concept of unfair trade practice in different contexts. A clear cut generalized definition of the 'unfair trade practice' may not be possible to be culled out from the aforesaid definitions. Broadly trade practice is unfair if the conduct undermines the ethical*

standards and good faith dealings between parties engaged in business transactions. It is to be noted that unfair trade practices are not subject to a single definition; rather it requires adjudication on case to case basis. Whether an act or practice is unfair is to be determined by all the facts and circumstances surrounding the transaction. In the context of this regulation a trade practice may be unfair, if the conduct undermines the good faith dealings involved in the transaction. Moreover the concept of 'unfairness' appears to be broader than and includes the concept of 'deception' or 'fraud'. ….. Coupled with the above, is the fact, the said conduct can also be construed to be an act of unfair trade practice, which though not a defined expression, has to be understood comprehensively to include any act beyond a fair conduct of business including the business in sale and purchase of securities."

43. In this case too, the practices adopted by *Noticees* are held *prima facie* as unfair trade practice since their conducts undermines the ethical standards and good faith dealings between the Operators and the investors who have traded on the stock recommendations given by the Operators on telegram channels. The act of the Net Sellers/Profit Makers/ Beneficiaries, in connivance with the Operators and Enablers, to trade in securities, based on the artificially created price/volume spurt due to the stock recommendation has given them undue and unfair advantage of being able to carry out the execution of their sell orders at higher price and gain unlawful profits.

44. At this stage, it is pointed out that on various instances, the Hon'ble Courts have underscored the need to curb the manipulative and unfair trade practices in the securities market. In one of such cases, the Hon'ble Supreme Court, in the matter of *N. Narayanan vs. Adjudicating Officer, SEBI* [(2013) 12 SCC 152, while dealing with the concept of market abuse in securities market has inter alia held as follows:

"*Prevention of market abuse and preservation of market integrity is the hallmark of Securities Law. Section 12A read with Regulations 3 and 4 of the Regulations 2003 essentially intended to preserve 'market integrity' and to prevent 'Market abuse'. The object of the SEBI Act is to protect the interest of investors in securities and to promote the development and to regulate the securities market, so as to promote orderly, healthy growth of securities market and to promote investors protection. Securities market is based on free and open access to information, the integrity of the market is predicated on the quality and the manner*

> *on which it is made available to market. 'Market abuse' impairs economic growth and erodes investor's confidence. Market abuse refers to the use of manipulative and deceptive devices, giving out incorrect or misleading information, so as to encourage investors to jump into conclusions, on wrong premises, which is known to be wrong to the abusers. The statutory provisions mentioned earlier deal with the situations where a person, who deals in securities, takes advantage of the impact of an action, may be manipulative, on the anticipated impact on the market resulting in the "creation of artificiality'*."

45. Further, in the matter of *SEBI vs Rakhi Trading* (2018) 13 SCC 753 the Hon'ble Supreme Court observed "… *market manipulation is a deliberate attempt to interfere with the free and fair operation of the market and create artificial, false or misleading appearances with respect to the price, market, product, security and currency."* In this case as well there are evidences of market abuse and weakening of market integrity since there is no free and open access to information. The information is first shared with select few with an intention to make unlawful gains before being shared in an open manner. Such practices shake investors' confidence in stock market and interfere in the operation of ordinary market forces of supply and demand thereby challenging market integrity.

46. I further note that the Hon'ble Supreme Court in the matter of Tarun Kumar Vs Assistant Directorate of Enforcement (2023 INSC 1006) while dealing with an issue of economic offences, has underscored the use of technology by offenders and challenges posed by it for the investigating agencies. In exact words, the Hon'ble Court held as: *With the advancement of technology and Artificial Intelligence, the economic offences like money laundering have become a real threat to the functioning of the financial system of the country and have become a great challenge for the investigating agencies to detect and comprehend the intricate nature of transactions, as also the role of the persons involved therein. Lot of minute exercise is expected to be undertaken by the Investigating Agency to see that no innocent person is wrongly booked and that no culprit escapes from the clutches of the law*."

47. In the present case, as stated as para 8 above, each Telegram Channel has an administrator or a set of people /entities acting as administrators and each of the telegram channel are registered with a mobile number. To evaluate a unique identifier, Telegram Messenger assigns a unique identifier known as 'Channel ID' which is relatively constant and is attached to all the messages posted on a Telegram Channel. Based on the unique identifier the data with respect to entities associated with this unique identifier were called for from Telegram. The details received were matched with the KYC details of the *Noticees* which revealed that the telephone number shown against telegram channel namely 'Sure Means Sure' is registered in the name of Mr. Arvind Shukla. While the IP address of telegram channel 'Sure Means Sure' and another telegram channel namely 'Intraday Share Training Stock' was noted to be identical. Further, even the telegram channel user window 'Bala Ji Mehndipur' which provided the payment links to the users had the registered phone number of Mr. Arvind Shukla. These layers of links between the telegram channels operated by one person, Mr. Arvind Shukha could be found only due to the extensive use of technology. Similarly, the WhatsApp chats between the operators Mr. Shailesh J Patel and Mr. Jalaj Agrawal substantiated their own statements taken under oath showed that they had met at Karnavati Club in Ahmedabad during the period of investigation. This was confirmed on the basis of analysis of their geographical tower location, which revealed that both Mr. Shailesh J Patel and Mr. Jalaj Agrawal had met on three occasions i.e. first on November 29, 2021 then on December 16, 2021 and third on January 12, 2022. Thus, technology has helped in the investigative process, without which it would have been challenging to bring together the well -knit scheme framed by the different *Noticees* in the instant matter.

48. In view of the preceding factual analysis and legal discussion in this order, I hold that there is *a prima facie* case of manipulative, fraudulent and unfair trade practice carried out by the *Noticees,* which ultimately resulted in the accumulation of unlawful gains to the tune of INR 4.29 crores, in the accounts of Noticee no.1 to Noticee no.10. Thus, going through the analysis of facts and

legal positions in the instant matter there is no hesitance in stating that all the five violations listed earlier at para '38' of this order with respect to section 12A of the SEBI Act and 3 and 4 regulations of SEBI(PFUTP) Regulations have been committed in this case as under:

48.1 There is use of or employment of fraudulent/manipulative or deceptive device or contrivance, in contravention of the provisions of the SEBI Act or rules or regulations, as discussed earlier, by *Noticees.*

48.2 There is employment of device scheme or artifice to defraud investors, as discussed earlier, by *Noticees*.

48.3 There is engagement in act, practice, course of business which operated as fraud or deceit upon investors in contravention of the provisions of the SEBI Act or rules or regulations, as discussed earlier, by *Noticees.*

48.4 There is dealing in securities by *Noticees Nos. 1* to 10 (*Net Sellers/Profit Makers/ Beneficiaries*), while they had advance information of stock recommendations to be made on Telegram Channels. This information has been shared, directly or indirectly, by *Noticees Nos. 11 to 17* (*Operators and Enablers*) with the *Noticees Nos. 1* to 10 (*Net Sellers/Profit Makers/ Beneficiaries*) in contravention of the provisions of the SEBI Act or rules or regulation.

48.5 There is dealing in securities which is fraudulent or an unfair trade practice, as discussed earlier in the trading accounts of *Noticee Nos. 1* to 10 (*Net Sellers/Profit Makers/ Beneficiaries*).

49. In addition, it is seen that regulation 4 of SEBI(PFUTP) Regulations states that no person shall indulge in a manipulative, fraudulent or an unfair trade practice in securities markets. Sub-regulation (2) of this regulation deems the following, inter-alia, as manipulative fraudulent or an unfair trade practice:

"……

(a) knowingly indulging in an act which creates false or misleading appearance of trading in the securities market;

(b) …………………….

(c) …………………….

(d) inducing any person for dealing in any securities for artificially inflating, depressing, maintaining or causing fluctuation in the price of securities through any means including by paying, offering or agreeing to pay or offer any money or money's worth, directly or indirectly, to any person;

(e) any act or omission amounting to manipulation of the price of a security including, influencing or manipulating the reference price or bench mark price of any securities

(k) disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading in a reckless or careless manner and which is designed to, or likely to influence the decision of investors dealing in securities;

(r) knowingly planting false or misleading news which may induce sale or purchase of securities.

…………"

50. The evidences collected and discussed in the earlier part of this order clearly brings out that -

50.1 *Noticees 1 to 10* have made unlawful profit in the exercise as narrated above and admittedly to share the profit with *Noticees 11 to 13*, who aided and abetted by posting of recommendation on telegram channels which induced investors/persons to deal in the securities recommended by them. Further, the actions of the *Noticees 11 to 13* to post recommendations of the price of the scrip, was in line with the price derived at the pre-opening session. These acts of Noticee Nos. 1 to 13 can be deemed to be a fraudulent and unfair trade practice under clause (d) and (e) of sub-regulation 2 of regulation 4 of SEBI(PFUTP) Regulations.

50.2 *Noticees 11 to 13*, based on the predetermined understanding knowingly gave false recommendation of their telegram channels for the scrip of UML. These *Noticees* also planted false information on telegram channels being aware of the fact that the information posted is false and would mislead investors with the intention to induce them to deal in the securities. These acts of *Noticees 11 to 13*, is deemed to be fraudulent or an unfair trade practice under clauses (a), (k) and (r) of sub-regulation 2 of regulation 4 of SEBI(PFUTP) Regulations.

50.3 *The* above acts of the *Noticees 11 to 13*, enabled the Net Sellers/ Profit Makers/ Beneficiaries i.e. *Noticees 1 to 10* to indulge in manipulative, fraudulent and unfair trade practice by dealing in the securities of UML in the month of December 2021 which ultimately resulted in the accumulation of unlawful gains to the tune of INR 4.29 crores. Therefore, all the *Noticees* are collectively liable for any act or omission, manipulative, fraudulent or an unfair trade practice referred in the immediately preceding paragraph.

51. <u>Accordingly, it is held that, *prima facie*</u> –

51.1 *Noticees 1 to 10* (Net Sellers/Profit Makers/ Beneficiaries) have violated sub clauses (a), (b) (c) and (e) of Section 12A of SEBI Act, 1992, sub-regulation (a), (b), (c) and (d) of regulation 3, and sub-regulation (1) of regulation 4 and sub-clauses (d) and (e) of sub-regulation (2) of regulation 4 of the SEBI(PFUTP) Regulations, 2003.

51.2 *Noticees 11 to 13* (Operators) have violated sub clauses (a), (b), (c) and (e) of Section 12A of SEBI Act, 1992, sub-regulation (a), (b), (c) and (d) of regulation 3, and sub-regulation (1) of regulation 4 and sub-clauses (a), (d), (e), (k) and (r) of sub-regulation (2) of regulation 4 of the SEBI(PFUTP) Regulations, 2003.

51.3 *Noticees 14 to 17* (Enablers) have violated sub clauses (a), (b), (c) and (e) of Section 12A of SEBI Act, 1992, sub-regulation (a), (b), (c) and (d) of regulation 3, and sub-regulation (1) of regulation 4 of the SEBI(PFUTP) Regulations, 2003.

L. <u>Need for Interim Ex-parte Order</u>

52. Having discussed the acts on the part of *Noticees* being *prima facie* in violations of SEBI Act, and regulations made thereunder, it would be important to examine the requirement to pass this interim ex-parte order. Sub-section (4) of section 11 and section11B mandate SEBI to restrain persons from accessing the securities market and prohibit any person associated with securities market from buying, selling or dealing in securities and to issue "such directions as may be necessary" in the interest of investors of the securities market. In the present

case, the investigation has been successfully able to *prima facie* highlight the scheme and device orchestrated intricately by *Noticees* whereby the Operators by posting stock recommendations in the scrip of UML on telegram channels induced the general public to deal in the securities purely based on misleading and unsolicited stock tips and thus enabling the beneficiaries to liquidate their holdings in the scrip of UML at the inflated price. The Net Sellers/Profit Makers/ Beneficiaries being connected to each other ensured that they plan their schedule of placing orders and thus do not clog the order book. The orders were placed in such a pattern that their sell orders were placed after the orders previously placed by the Net Sellers/Profit Makers/ Beneficiaries is executed. The Enablers bridged the connection between the Net Sellers/Profit Makers/ Beneficiaries and Operators and also provided vital information in the form of Benpos (which is privy to the company, UML), to the Operators. It has also been found that, for carrying out this entire exercise the Operators were also given commission through non-banking route. I have also highlighted the large number of followers on telegram channels where the stock recommendation of UML was posted. The telegram channels had subscribers in the range of 4 to 15 lacs.

53. I note that Section 11 of the SEBI Act confers a duty on the Board to protect the interests of investors in securities and to promote the development of and to regulate the securities market. In a way all these three objects are interlinked. In order to develop the securities market, it is necessary that the interest of investors is protected. Any manipulation in the market would adversely impact the interest of investors. This would result in loss of trust of these investors in the securities market impacting market integrity. A robust securities market is important for the growth and development of the economy. Hence, it is important that market is regulated and steps taken to discourage any manipulation or wrong practice in order to protect the interest of investors as well to develop the securities market. Accordingly, to achieve the objectives of SEBI Act, SEBI has been authorized to take such measures as its things fit. Thus, the power to take all measures as may be necessary to discharge its duty

under the stature has been conferred in widest amplitude. Pursuant to the said objective, SEBI(PFUTP) Regulations have been formulated with the main objective of preventing fraudulent activities in order to boost investor confidence in the securities market and to provide an environment conducive to increased participation and investment in the securities market.

54. The facts of this case demonstrate clear scheme of manipulation to harm the interest of investors by misguiding them to take position in securities so that Net Sellers/Profit Makers/ Beneficiaries could make profit at the cost of such investors. Unlawful gains made by these Net Sellers/Profit Makers/ Beneficiaries come, directly or indirectly, from the pockets of innocent investors who follow the advice of telegram operators unaware of the fraudulent scheme. Hence, it is necessary that whenever such schemes are noticed, steps are taken to intervene and stop further damage to securities market. Further, the wrongful gains generated from such schemes need to be disgorged. Legal discussion at paragraphs 41 to 46 further mandates SEBI to intervene to contain any further damage.

55. Keeping in views the above discussion, I am of the view that it is a fit case to pass interim ex-parte order to insulate the securities market from the mischievous act of *Noticees* and also to prevent these *Noticees* in conducting similar activities which are *prima facie* against the interest of investors as well as against the development of securities market. Further, there is an urgency to protect the wrongful gains from getting siphoned off beyond the regulatory reach.

56. Apart from the above discussion, there is another reason for urgency of this interim ex-parte order. Investors education is very important as it empowers investors to protect their own interest. It is important for investors to exercise due diligence before they find it appropriate to enter into transactions or dealing in securities. Such decision of investors ought to be based on reliable information and not been influenced by the information planted by scrupulous entities who gain at the cost of established market mechanism. It is seen that

such social media have been used as a mechanism to entice innocent investors to trade in securities, even though the scrips do not contain any substance or having fundamentals good enough to attract investors. Therefore it become imperative to educate investors so that they protect themselves from been lured by scrupulous people using the social media platform to deal in securities thus violating the securities market norms.

57. At this stage, I place reliance on the order of the Hon'ble Securities Appellate Tribunal, passed in the case of *Amalendu Mukherjee Vs. SEBI* (Appeal (L) no. 169 of 2020), wherein the Hon'ble Tribunal has underscored the necessity of passing impounding orders by *inter alia* observing as:

> "*We are of the opinion that the WTM is empowered under the SEBI Act and the Regulations to pass an ex-parte order in order to protect the interests of securities market and the investors. If such impounding order is not passed, it may result in defeating the ultimate direction of disgorgement if any, as there would be chances of such monies being dissipated by the appellant. ...*"

58. In view of the foregoing compelling facts and circumstances and after careful consideration of the totality of the facts surrounding the case, I am of the view that this is a fit case to invoke the statutory powers vested in SEBI to pass interim directions against *Noticees* through this order.

M. Joint and Several Liability

59. Having held that facts of this case warrant invocation of power of issuance of *interim* order, the issue now merits discussion is who amongst *Noticees*, would be *prima facie* held liable for impounding of unlawful gains generated by the employment of the *prima facie* fraudulent scheme devised by *Noticees*. From the above discussion, I note that the *Noticees* have played specific roles at various stages which have, *prima facie*, been found to be in violation of the SEBI Act and the regulations made thereunder. Analysis of evidences gathered in the course of investigation reveal that the Operators gave stock recommendation on several days during the month of December 2021 and Net Sellers/Profit Makers/ Beneficiaries being aware of the information regarding

posting of stock recommendation, executed a well-designed plan in placing the orders so that the sell orders do not clog the system. The Net Sellers/Profit Makers/ Beneficiaries placed sell orders in a manner that such orders were placed after the execution of the existing sell orders of the other Net Sellers/Profit Makers/ Beneficiaries. The evidences available on record show that profit was shared with the Operators as per understanding. Considering the materials available on record, I note that all Operators alongwith Net Sellers/Profit Makers/Beneficiaries are jointly and severally liable for impounding of the proceeds to the tune of INR 4.29 crores generated from the trades which are not in conformity with the provision of securities laws. Such joint and several liability is restricted amongst those *Noticees* who made these unfair profits, who enabled to make unfair profits or whose recommendations led to such unfair profits. This amount is arrived at based on details of profit stated at table no.24 where details of unlawful gains made by Net Sellers/Profit Makers/ Beneficiaries is computed separately for each of them.

60. The amount of wrongful gain for which the *Noticees* are jointly and severally liable, is accordingly arrived at the below table no. 25. It is clarified that the Noticees mentioned at column no. 1 are jointly and severally liable for the amount of wrongful gains, mentioned at column no. 2, along with *Noticees* mentioned at column 3. Joint and several liabilities of *Noticees* mentioned at column no. 3 is restricted to the extent of the amount mentioned against their respective names in Table 25 below:

Table - 25

Sl No.	Net Sellers /Profit Makers/ Beneficiaries (1)	Amount of wrongful gains (INR) (2)	Entities jointly and severally liable for wrongful gains (3)
1	Yayaati Hasmukhray Nada	1,46,51,279.10	• Shailesh S Patel, • Jalaj Agrawal, • Arvind Shukla
2	Nirali Yayaati Nada	1,02,32,225.50	• Yayaati Hasmukhray Nada,

			• Shailesh S Patel, • Jalaj Agrawal, • Arvind Shukla
3	Jasavantbhai Patel	38,29,542.22	• Yayaati Hasmukhray Nada, • Reetaben Patel, • Shailesh S Patel, • Jalaj Agrawal, • Arvind Shukla
4	Jignesh Pravinbhai Pethani	37,49,190.24	• Yayaati Hasmukhray Nada, • Shailesh S Patel, • Jalaj Agrawal, • Arvind Shukla
5	Mukti Lodha	42,35,250.00	• Shailesh S Patel, • Jalaj Agrawal, • Arvind Shukla
6	Nahush Ashvinbhai Shukla	20,88,798.40	• Yayaati Hasmukhray Nada, • Reetaben Patel, • Shailesh S Patel, • Jalaj Agrawal, • Arvind Shukla
7	Prajesh Ashvinbhai Shukla	18,73,074.80	• Yayaati Hasmukhray Nada, • Reetaben Patel, • Shailesh S Patel, • Jalaj Agrawal, • Arvind Shukla
8	Malay Shaileshbhai Patel	6,32,273.76	• Shailesh S Patel, • Jalaj Agrawal, • Arvind Shukla
9	Reetaben Ashvinkumar Shukla	12,11,311.28	• Yayaati Hasmukhray Nada, • Shailesh S Patel, • Jalaj Agrawal, • Arvind Shukla

10	Hardik Jitendrabhai Patel	4,77,780.25	• Yayaati Hasmukhray Nada • Shailesh S Patel, • Jalaj Agrawal, • Arvind Shukla
	Total Profit	**4,29,80,725.70**	

N. <u>Ex-parte Interim Order</u>

61. Keeping in view the foregoing discussions, the compelling evidences brought on record, factual analysis and my observations on various aspects of the matter wherein it has been seen as to how certain entities indulged in fraudulent and unfair acts and unlawfully enriched themselves by taking advantage of being in a position to influence innocent investors, I observe that it is a fit case to pass *interim* directions to insulate the securities market and investors from the mischievous acts of the entities and also to urgently prevent these entities from continuing with their *prima facie* fraudulent activities while dealing in the securities market. Further, there is an urgency to protect the wrongful gains from getting siphoned off beyond the regulatory reach. Accordingly, I, in exercise of the powers conferred upon me under sub-section (1) and (4) of section 11, sub-section (1) of section 11B read with Section 19 of the SEBI Act, by way of the present interim order, hereby issue the following directions, which shall remain in force until further order: -

61.1 *Noticees Nos 1 to 13* are restrained from buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever until further orders.

61.2 If *Noticees 1 to 13 have* any open position in any exchange traded derivative contracts, as on the date of the order, they can close out /square off such open positions within 3 months from the date of order or at the expiry of such contracts, whichever is earlier. *Noticees* are permitted to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this order

61.3 An amount of INR 4,29,80,725.70, being the total unlawful gain earned from the alleged fraudulent and unfair activities is impounded, jointly and severally from Noticee No.1 to Noticee No.13 in accordance with the table 25 above.

61.4 *Noticees* mentioned in the table no. 25 *above* are directed to credit/deposit jointly/ severally within 15 days from the date of service of this order, the amount of unlawful gains as calculated in table no. 25 to an interest bearing Escrow Account created specifically for the purpose in a Nationalized Bank. The above *Noticees* shall create Escrow Account(s) with Lien in favour of SEBI and the amount kept therein shall not be released without permission from SEBI.

61.5 *Banks*, where the *Noticees Nos. 1 to 13* are holding Bank accounts are directed to ensure that no debits shall be made, without the permission of SEBI, in respect of the bank accounts held jointly or severally by these *Noticees*, except for the purposes of transfer of funds to the Escrow Account as mentioned in the table no. 25 above. Further, the Depositories are also directed that no debit shall be made, without permission of SEBI, in respect of securities held in the demat accounts of the aforesaid *Noticees*. However, credits, if any, into the accounts will be allowed. Banks and the Depositories are also directed to ensure that all the aforesaid directions are strictly enforced. Further, debits in the bank accounts may also be allowed for amounts available in the account in excess of the amount to be impounded. Banks are allowed to debit the accounts for the purposes of complying with this Order.

61.6 Directions to banks under para 61.5 shall remain in force until the amounts mentioned in table no. 25 above are deposited jointly or severally by *Noticees* mentioned in the table no. 25. On production of proof of deposit of amount mentioned in table no. 25 above, SEBI shall communicate to Banks for lifting the debit freeze the accounts of the respective *Noticee.*

61.7 Registrar and Transfer Agents are directed to ensure that, they neither permit any transfer nor redemption of the securities, including Mutual Funds units, held by *Noticees nos.1 to 13*.

61.8 *Noticees nos.1 to 13* are directed not to dispose of or alienate any of their assets/properties/securities, till such time the amount of unlawful gain is credited to an Escrow Account except with the prior permission of SEBI.

61.9 The *prima facie* observations/ findings contained in this Order have been made on the basis of the material available on record. All the *prima facie* findings recorded in this Order shall be treated as allegations to the violations of the provisions of the SEBI Act, 1992 and SEBI(PFUTP) Regulations against the respective *Noticees*, and the instant order may be treated as show cause notice to them. Hence, the *Noticees Nos.1 to 13* are hereby called upon to show cause as to why suitable directions, including the following, should not be issued/imposed against them under sub-section (1) and (4) of section 11, and sub-section (1) of section 11B of the SEBI Act, 1992, :

- Direction to disgorge an amount equivalent to the alleged unlawful profits made on account of the scheme as described above in table no.25, along with interest.
- Directing them to refrain from accessing the securities market and prohibiting them from buying, selling or otherwise dealing in securities for an appropriate period.

61.10 *Noticees Nos. 1 to 13* are further called upon to show cause as to why appropriate penalty under sub-section (4A) of section 11 and sub-section (2) of section 11B read with Section 15HA of SEBI Act, 1992 should not be imposed on them for the alleged violations of SEBI Act, 1992 and SEBI (PFUTP) Regulations.

61.11 *Noticees Nos. 14 to 17* are called upon to show cause as to why appropriate suitable directions, including debarring or associating them from the Securities Market, in any manner whatsoever, should not be issued/imposed against them under sub-section (1), sub-section (4) of section 11 and sub-section (1) of section 11B of the SEBI Act, 1992. These *Noticees* are further called upon to show cause as to why appropriate penalty under sub-section (4A) of section 11 and sub-section (2) of section 11B read with section 15HA of the SEBI Act, 1992 should not be imposed on them for the alleged violations of the SEBI Act, 1992 and SEBI(PFUTP) Regulations.

61.12 *Noticees* may file their replies to SEBI within 21 days from the date of receipt of this Order and avail an opportunity of personal hearing in the matter, if they so desire.

61.13 This Order is without prejudice to the right of SEBI to take any other action that may be initiated against *Noticees* in accordance with law.

61.14 This Order shall come into force with immediate effect and shall be in force until further orders.

61.15 A copy of this order shall be served upon *Noticees*, Stock Exchanges, Banks, Unison Metals Limited, Registrar and Transfer Agents and Depositories for necessary action and compliance with the above directions.

Sd/-

DATE: July 31, 2024 **KAMLESH C. VARSHNEY**

PLACE: MUMBAI **WHOLE TIME MEMBER**

SECURITIES AND EXCHANGE BOARD OF INDIA